826. By Mr. SMITH: Petition of numerous citizens of Idaho Falls, Idaho, opposing any modification of the Volstead Act; to the Committee on the Judiciary.

827. By Mr. STRONG of Pennsylvania: Petition of Italian-American citizens of Beyer, Pa., in reference to the selective immigration bill; to the Committee on Immigration and Naturalization.

828. By Mr. THOMPSON: Petition of 390 representative farmers residing in the seven counties of the fifth congressional district of Ohio, urging the passage of a tax reduction law; to the Committee on Ways and Means.

829. By Mr. TREADWAY: Petition of the North Adams Chapter of Hadassah, of North Adams, Mass., by Mrs. H. Entin, president, in opposition to the immigration bill (H. R. 101); to the Committee on Immigration and Naturalization.

830. By Mr. VARE: Petition of Philadelphia Board of Trade, opposing the enactment of Senate bill 919 amending the Federal reserve law; to the Committee on Banking and Currency.

831. Also, petition of the Philadelphia Board of Trade, protesting against the taxation of tax-exempt securities held by estates; to the Committee of Ways and Means.

SENATE.

FRIDAY, *February 1, 1924.*

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

Our Father, Thou hast permitted us to see the light of another day and to enter upon another month. We bless Thee for Thy care in the days and months gone by, and while we can not change or revise in the least the record made, we ask Thee, our Father, to be gracious with us and so guide our thoughts and influence our determinations that they shall meet with Thine own blessed sanction.

We come this morning and specially bring to Thee, asking Thee in great mercy and in infinite tenderness to be with Thy servant who is so very low. Minister unto him who has ministered honorably in the high station of President so very recently. Be in that sick room, we beseech of Thee. Grant wisdom, we ask, to his physicians. Stay and comfort the wife of his heart. Be near to all the interests that gather about him. And we humbly beseech Thee, if it is Thy will, that he may be recovered. If not, we ask that Thou wilt give unto him an abundant entrance into Thy heavenly kingdom. Through Jesus Christ our Lord. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Monday, January 28, 1924, 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 PRESIDENT pro tempore. The Secretary will call the roll.

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

Ashurst	Fernald	Keyes	Robinson
Ball	Ferris	King	Sheppard
Bayard	Fess	Lodge	Shields
Borah	Frazier	McKellar	Shipstead
Brandegee	George	McKinley	Shortridge
Brookhart	Gerry	McLean	Simmons
Broussard	Glass	McNary	Smith
Bruce	Gooding	Mayfield	Stanley
Bursum	Greene	Moses	Sterling
Capper	Hale	Neely	Swanson
Caraway	Harreld	Norbeck	Trammell
Copeland	Harris	Norris	Wadsworth
Couzens	Harrison	Oddie	Walsh, Mass.
Cummins	Heflin	Overman	Warren
Curtis	Howell	Pepper	Watson
Dale	Johnson, Calif.	Phipps	Wheeler
Dial	Johnson, Minn.	Pittman	Willis
Edge	Jones, N. Mex.	Ralston	
Elkins	Jones, Wash.	Ransdell	
Ernst	Kendrick	Reed, Mo.	

Mr. CURTIS. I wish to announce that the Senator from Wisconsin [Mr. LENROOT], the Senator from Utah [Mr. SMOOT], the Senator from North Dakota [Mr. LADD], the Senator from Oregon [Mr. STANFIELD], the Senator from South Dakota [Mr. NORBECK], the Senator from New Mexico [Mr. BURSUM], and the Senator from Arizona [Mr. CAMERON], are in attendance upon a meeting of the Committee on Public Lands and Surveys.

Mr. GERRY. I wish to state that the Senator from Montana [Mr. WALSH], the Senator from Colorado [Mr. ADAMS], and the Senator from Washington [Mr. DILL] are absent at the committee meeting just mentioned by the Senator from Kansas.

The PRESIDENT pro tempore. Seventy-seven Senators have answered to their names. There is a quorum present.

ALBERT B. FALL.

Mr. ASHURST. Mr. President, as I am compelled to leave the Chamber in a few moments I wish to address the Senate briefly at this time.

I discovered this morning in the RECORD, on page 1741, a very remarkable speech delivered by the able Senator from New Hampshire [Mr. MOSES]. In conclusion he said:

> Here we shall continue to find the partisan pack in full bay—Blanche, Tray, and Sweetheart all hot upon the scent. Here I suppose we shall continue to see and the country will not fail to take notice of a proceeding in which we find sick chambers invaded by a jazz band, a ghoulish dance performed in a cemetery, and partisan snipers making a rifle pit of the grave of Warren Harding.

I wish to make some reply to the observations of the Senator from New Hampshire. They are without foundation, and whoever informed the Senator that such proceedings were going on here or elsewhere is very much mistaken.

On the contrary, on December 6, 1919, a man lay sick at the White House. He was a casualty of the war as truly as any soldier was. He is a man whose soul may soon become a part of eternity itself. He is a man who never used the precious gift of God called life for other purpose than to advance the ideals he believed to be right for peace, justice, and truth.

On the 6th of December, 1919, a procedure took place, emanating from a committee of this body, the like of which was never before known in the American Government. The precincts of the sick room were disturbed. The door was rapped upon. A bitter partisan in the person of the then Senator from New Mexico, Mr. Fall, rapped upon the door, causing the sick man to lay aside the covers that he might see the condition of this man who was so seriously ill.

Now, what is the situation? A great misfortune has come into the life of ex-Secretary Fall, but the Committee on Public Lands and Surveys refuses and disdains to rap upon his door to ascertain his condition. No member of the Committee on Public Lands and Surveys went to the sick chamber of that unfortunate man to ascertain his condition. They have too much respect for the proprieties of the occasion. They have too much respect for a sick man and too much sympathy for human suffering to do such a thing.

The speech of the Senator from New Hampshire is offensive, coming from the side that promoted, encouraged, and voted to send an offensive partisan to hammer upon the door of a sick President.

Mr. HEFLIN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arizona yield to the Senator from Alabama?

Mr. ASHURST. I yield the floor.

Mr. HEFLIN. Before the Senator takes his seat I would like to inquire if this Senator from New Hampshire [Mr. MOSES] is the same Senator who wrote a letter to the President inquiring about his physical condition at that time?

Mr. ASHURST. No; he did not write a letter to the President. He wrote a letter to somebody else, saying that if the President survived he would never be of any force or any consequence in public affairs thereafter.

Mr. HEFLIN. And claimed that he had——

Mr. ASHURST. I have stated what the letter said.

Mr. BORAH. Mr. President, what is the order of business?

The PRESIDENT pro tempore. The presentation of petitions and memorials is in order.

Mr. ASHURST. Having surrendered the floor, that is not to be considered as taking me off the floor at all. I surrender the floor. If anybody wants to challenge the accuracy of the record, he has that right. I shall remain in the Chamber to hear any such challenge.

The PRESIDENT pro tempore. The Chair is not taking the Senator from Arizona from the floor.

Mr. ASHURST. I thank the Chair. The Chair could not do so.

GREAT BRITAIN'S SURPLUS TONNAGE.

Mr. BAYARD. Mr. President, I present a bulletin of the Atlantic Coast Shipbuilders' Association of February 1, 1924, relative to the disposition of Great Britain's surplus tonnage, which I ask may be printed in the RECORD.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

ATLANTIC COAST SHIP BUILDERS' ASSOCIATION,
Philadelphia, Pa.

BULLETIN.

With the United States Government's enormous laid-up fleet of Shipping Board vessels, now numbering about 900 steel steamers of 4,000,000 tons gross register, rusting away in many harbors throughout the country, much interest centers in the achievement of Lord Inchcape in disposing of Great Britain's surplus tonnage and the recognition just given him by the Crown for his notable public service. The annual New Year Honours List lately published contained the name of Baron James Lyle Inchcape, G. C. M. G., K. C. S. I., K. C. I. E., who was created a viscount. He is the chairman of the P. & O. and British India Steam Navigation and other shipping companies and vice president of the Suez Canal Co. According to the Shipbuilding and Shipping Record, in 1919 he took over and sold all the British Government's standard ships, the exchequer receiving therefrom £35,000,000, while the total expense of making these sales was £850. He later undertook the sale of the 418 reparation ships allotted to Great Britain, which realized £20,076,216, the cost to the Government for administration purposes being only 2s. 7¾d. per £100. He also went to India in 1920 and sold for the Government the Mesopotamain war craft, £1,080,000 being realized thereby.

PETITIONS AND MEMORIALS.

Mr. HARRELD presented the following concurrent resolution of the Legislature of Oklahoma, which was referred to the Committee on Military Affairs, as follows:

STATE OF OKLAHOMA,
DEPARTMENT OF STATE.

To all to whom these presents shall come, greeting:

I, R. A. Sneed, secretary of state of the State of Oklahoma, do hereby certify that the following and hereto attached is a true copy of house concurrent resolution 4, adopted by the house of representatives and senate December 7, 1923, the original of which is now on file and a matter of record in this office.

In testimony whereof I hereto set my hand and cause to be affixed the great seal of State.

Done at the city of Oklahoma City this 22d day of January, A. D. 1924.

[SEAL.] R. A. SNEED,
Secretary of State.
UNA LEE ROBERTS,
Assistant Secretary of State.

House concurrent resolution 4.

A resolution memoralizing the Congress of the United States as to its policy relative to the Officers' Reserve Corps, a citizens' component of the Army of the United States, as created by the national defense act of June 4, 1920.

Whereas the Congress of the United States, by the enactment of the national defense act of June 4, 1920, created the Officers' Reserve Corps, a citizens' component of the Army of the United States; and

Whereas said Reserve Corps is a most economical and democratic peace-time establishment, and in time of national emergency would be of the greatest value to the Government; and

Whereas said Reserve Corps has within its ranks in Oklahoma more than 1,500 of the business and professional men of this State, whose patriotic services cost the Government nothing; and

Whereas the continuance of the headquarters of the various administrative units of said corps, as provided by the past and present policy of the War Department, is vitally essential to the welfare of said corps: Therefore be it

Resolved by the senate and house of representatives of the ninth legislature in extraordinary session assembled, That it is the consensus of opinion of this legislature that the Congress of the United States should continue its present policy toward and support of the Officers' Reserve Corps, and more particularly that a sufficient appropriation be allowed by the present Congress to allow the continuance of the headquarters for the various administrative units under the plan now in force; be it further

Resolved, That a copy of this resolution be duly enrolled and forwarded to the Secretary of War and each Member of Congress from the State of Oklahoma.

Adopted by the house of representatives this the 7th day of December, 1923.

W. D. MCBEE,
Speaker of the House of Representatives.

Adopted by the senate this the 7th day of December, 1923.

TOM ANGLIN,
President of the Senate.

Correctly enrolled:

JOHN M. BELL,
Chairman of Committee on Engrossing and Enrolling.

Mr. CAPPER. I present a resolution adopted by the American National Livestock Association in its annual meeting, at Omaha, Nebr., January 15–17 last, with relation to the transportation act. I ask that the resolution may be referred to the Committee on Interstate Commerce and printed in the RECORD.

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

Resolution adopted at convention of American National Livestock Association, held at Omaha, Nebr., January 15, 16, and 17, 1924.

REPEAL OF SECTION 15–A OF TRANSPORTATION ACT.

We reaffirm our unalterable opposition to section 15–a of the transportation act, which requires the Interstate Commerce Commission to establish and adjust rates on the basis of a percentage of net operating income upon the aggregate value of railway property, and requires said commission to fix and adjust the rates so as to produce as near as possible such net return. The attempt to put this law into practice has resulted in the establishment of rates that are unjust and unreasonable to livestock and other agricultural products.

We protest against taking away from the States the power to make rates for strictly intrastate shipments; and

Whereas Senator ARTHUR CAPPER, of Kansas, has introduced a bill in the present Congress, being Senate bill No. 91, to repeal said section 15–a and to restore to the several States the authority to promulgate intrastate rates: Be it therefore

Resolved by the American National Livestock Association, in convention assembled, at Omaha, Nebr., January 15, 16, and 17, 1924, That we demand the repeal of said section 15–a and demand a restoration of the powers to the States over State rates.

We commend and indorse said Capper bill No. 91 and call on all members of this association and other similar organizations and individuals engaged in the livestock business to use their best efforts with Members of the Congress of the United States to speedily enact said Capper bill.

Mr. CAPPER also presented petitions of sundry rural letter carriers of Clay and Jewell Counties, Kans., praying for the enactment of legislation providing an allowance of 6 cents per mile as equipment allowance to rural letter carriers, which were referred to the Committee on Post Offices and Post Roads.

Mr. TRAMMELL. I send to the desk certain resolutions adopted by the annual convention of Railway and Public Utilities Commissioners in their national convention on December 4 to 7 last, at Miami, Fla., and a letter from Hon. R. Hudson Burr, chairman, transmitting the resolutions. I ask that the resolutions may be printed in the RECORD and referred to the Committee on Interstate Commerce.

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

RAILROAD COMMISSION, STATE OF FLORIDA,
Tallahassee, January 28, 1924.

Hon. DUNCAN U. FLETCHER,
Hon. PARK TRAMMELL,
United States Senate, Washington, D. C.

GENTLEMEN: We are inclosing herewith resolutions passed at the annual convention of Railway and Utility Commissioners in session at Miami, Fla., December 4 to 7, inclusive, regarding amendment to the transportation act of 1920. We trust you will give this your earnest consideration and do what you can to have the act amended in accordance with the resolutions.

Transportation is becoming more and more centralized, and as a consequence the people who furnish business for the transportation lines are receiving less consideration than they have in many years. The transportation companies are enlarging their contentions under the transportation act to the point where it is impossible to obtain anything like prompt action for the relief of shippers, or proper accommodations for the public, not only in rate matters but in the matter of sidetracks, connections between railroads, depots, platforms, and all other matters, their contention being that all of these things are covered by the transportation act.

We have in this State at present six cases involving the building or enlargement of depot and platform facilities, connecting tracks between railroads, and sidetracks, wherein the carriers contend that the railroad commission has no jurisdiction because of the transportation act of 1920.

If these matters are all within the scope of regulation by the Interstate Commerce Commission, it must be apparent that the people of this country will not get the relief they are entitled to. The Interstate Commerce Commissioners already have more than they can properly do, and if they are to review and pass upon all local matters, nothing of consequence will be accomplished.

Yours very truly,

R. HUDSON BURR, *Chairman.*

Resolutions passed by the National Association of Railway and Utility Commissioners in annual session at Miami, Fla., December 4 to 7, inclusive.

LEGISLATIVE RESOLUTIONS.

RESOLUTION NO. 1.

Resolved, That we urge upon Congress such amendment of the interstate commerce act as shall remove all question as to the continued power of State authorities to require common carriers to make additions and betterments to their plants and facilities reasonably necessary for the safe and proper service of the public.

RESOLUTION NO. 2.

Resolved, That we urge upon Congress immediate legislation at the present session which shall so amend the interstate commerce act as clearly to define and limit the power of the Interstate Commerce Commission, so that no intrastate rate may be changed or set aside without proof by competent evidence, and upon findings of fact made, that the same injure a person or persons or a locality or localities engaged in interstate commerce to such an extent as seriously to diminish the business of such person or persons, or seriously to retard the growth and development of such locality or localities.

Resolved further, That it is the sense of this association that the group plan of making rates, prescribed by said section 15-a, is uneconomic and unsound and that the attempt under its provisions to produce returns upon roads that are unable to earn returns themselves has placed an unjust burden upon the business of the Nation, from which should be relieved by the immediate repeal of said section 15-a.

RESOLUTION NO. 3.

Resolution relating to car service.

Whereas it is impracticable for the Interstate Commerce Commission to attempt to supervise the distribution of cars as between individual shippers throughout the United States; and

Whereas there should be some governmental authority within reasonable reach to which appeal can be made to require equitable distribution of cars without regard to whether the same are to be used for shipments interstate or intrastate: Therefore be it

Resolved, That Congress be respectfully urged to amend the interstate commerce act in such way that the regulatory authorities of the States may make reasonable orders and regulations not in conflict with Federal law, or with lawful orders of the Interstate Commerce Commission, requiring cars within the respective borders of such States be equitably distributed to shippers desiring same, without regard to whether they are desired for use in shipments that are interstate or intrastate.

RESOLUTION NO. 4.

Resolved, That Congress be, and hereby is, respectfully urged to make such amendments to the existing law as shall clearly exclude from the jurisdiction of the Interstate Commerce Commission the regulation of the rates of service of electric railroads carrying on local street railway transportation.

RESOLUTION NO. 5.

Resolved, That we reaffirm the resolution passed by this association at the Atlanta convention, October 11-14, 1921, as to amendment of the fourth section of the interstate commerce act relating to long and short haul rates.

RESOLUTION NO. 6.

Whereas the transportation act of 1920 is construed by the Interstate Commerce Commission to have vested in such body sole authority to grant certificates of convenience and necessity for construction or abandonment of railroad lines wholly within a State: Therefore be it

Resolved, That Congress be respectfully urged to amend the existing law in such manner and form as to restore to the several States all the rights, powers, and authority enjoyed by each relative to certificates of convenience and necessity prior to the enactment of the transportation act of 1920.

VALUATION RESOLUTIONS.

Whereas the several States have cooperated with the Interstate Commerce Commission in valuation work with the confident expectation that the valuations of roads made by the commission would be reported not only as a whole but by States, as the valuation act in terms requires; and

Whereas the Interstate Commerce Commission is failing to report such values by States for the reason that it reports that it has no funds available for that purpose; and

Whereas the failure to report said valuations by States will make the same available for Federal purposes only; and

Whereas the appropriation necessary to enable the reporting of said values by States is trivial in comparison with the amount which has been already expended upon said work; and

Whereas said valuation when completed ought to be in such form as to be available for all governmental uses, both State and Federal: Therefore be it

Resolved, That this association respectfully urges upon Congress that sufficient appropriation be made so that the Interstate Commerce Commission may be enabled to make and report all such valuations as a whole and also by States.

RESOLUTION RELATING TO TELEPHONE DEPRECIATION.

Be it resolved by this association, That the committee on State and Federal legislation be directed to take such steps as may be required to secure the amendment of the interstate commerce act in such a way that jurisdiction of depreciation charges by telephone companies shall clearly rest with the various State commissions as it did prior to the enactment of the transportation act of 1920.

Mr. WADSWORTH. I present and ask to have printed in the RECORD a copy of a resolution adopted by the Legislature of the State of New York in relation to the so-called "deeper Hudson" project.

The resolution was referred to the Committee on Commerce and ordered to be printed in the RECORD under the rule, as follows:

[By Mr. Boyle.]

STATE OF NEW YORK, IN ASSEMBLY,
January 15, 1924.

Whereas there has been for some time past an organized movement on the part of citizens of the State of New York to bring about the deepening of the Hudson River, to provide a 27-foot ship channel from the city of Hudson to the head of tidewater at the Federal dam at Troy as a national waterway; and

Whereas the Congress of the United States has authorized an estimate and survey under the direction of the United States Board of Army Engineers to determine upon the feasibility and practicability of this project and its approximate cost; and

Whereas a brief and survey of this project has been prepared by expert engineers, which brief and survey has been filed with the United States Army Engineer in charge of this territory for his favorable report; and

Whereas the governor in his annual message has indorsed the project of deepening the Hudson River to the Federal dam at Troy and also set forth his indorsement of legislation to create a port district of the upper Hudson River necessary for the development of commerce and the handling of the business and trade to be brought about by the said deepening of the channel of the Hudson River to 27 feet: Therefore be it

Resolved (if the senate concur), That the Legislature of the State of New York do hereby memorialize the Congress of the United States to enact appropriate legislation to provide the authorization and the necessary appropriation for the deepening of the Hudson River to the head of tidewater at the Federal dam at Troy, and that we do hereby call upon the representatives of the State of New York in the United States Senate and the House of Representatives to do their utmost to see that favorable action is taken at once on this important and necessary legislation; be it further

Resolved (if the senate concur), That a copy of this resolution be transmitted to the Clerk of the United States Senate and to the Clerk of the House of Representatives and to each Senator and Representative in Congress from this State.

Mr. Speaker put the question whether the house would agree to the said resolution, and it was determined in the affirmative.

Ordered that the clerk deliver said resolution to the senate and request their concurrence therein.

IN ASSEMBLY,
January 16, 1924.

The senate returned the concurrent resolution in relation to the deeper Hudson project with a message that they have concurred in the passage of the same without amendment.

STATE OF NEW YORK, COUNTY OF ALBANY,
Office of the Journal Clerk of the Assembly, ss:

I, W. K. Mansfield, journal clerk of the assembly, do hereby certify that I have compared the foregoing record of proceedings of the assembly of January 15 and 16, 1924, relating to the resolution therein set forth with the original thereof as contained in the official copy of the journal of the assembly of said dates and that the same is a true and correct transcript of said journal in so far as the same relates to said resolution.

In witness whereof I have hereunto set my hand this 18th day of January, 1924.

W. K. MANSFIELD,
Journal Clerk of the Assembly.

Mr. CAMERON. I present resolutions unanimously adopted by Local Union No. 1698, United Brotherhood of Carpenters and Joiners of America, at their regular meeting at Superior, Ariz., January 22, 1924, protesting against unrestricted immigration, which I ask may be printed in the RECORD and referred to the Committee on Immigration.

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

The following resolutions were unanimously passed by Superior Local Union, No. 1698, United Brotherhood of Carpenters and Joiners of America, at their regular meeting at Superior, Ariz., January 22, 1924:

"Whereas there is now pending before Congress to further restrict and regulate immigration of peoples from foreign countries to these United States; and

"Whereas the millions of unassimilated immigrants already in this country present a most serious economic, social, and moral problem and are a menace to our American institutions and to our economic, social, and moral life; and

"Whereas the millions of immigrants, including their children, which have to be provided for in our public schools, has entailed a crushing burden of taxation to provide additional school facilities in almost every industrial center in the United States without any compensating benefit to the moral, social, or political life of the American people; and

"Whereas the low average intelligence and morals of most of these immigrants have increased the crime, lowered the standards of morals, and degraded the social and moral life of the communities in which they congregate, and by reason of their insanitary habits have in very many communities become a menace to the public health and are detrimental to the social, moral, and political life of the American people; and

"Whereas the mining companies, cotton companies, railways, and other large employers in Arizona have for many years deliberately and persistently pursued a policy of displacing white native-born and naturalized Americans in their employ with foreign labor of an alien race from revolutionary Mexico, notwithstanding the fact that they are protected by American laws, fully enjoy our markets for their products and service, which they sell for largely American money; and

"Whereas the argument advanced frequently by the proponents of this destructive policy that 'Industrial plants can not operate in this State without employment of large numbers of foreign laborers and artisans' is completely and utterly refuted every day by the large numbers of native white Americans who may be found traveling along the transcontinental highways traversing this State, many of them seeking employment, and who would enter the employ of these large employers at any wage that would support them, but are turned away from the employment offices while their plants are manned by Mexicans, to whom preference is given, as is evidenced by the fact that as much as 80 per cent foreign labor is employed and other facts and circumstances of common knowledge to everyone who lives in these industrial centers of this State; and

"Whereas many of the citizens and ex-service men of this and other States are daily denied employment by the large employers of Arizona while they attract from Mexico a steady stream of ignorant foreign labor which they freely employ, while turning away from their employment offices large numbers of our own people who apply to them for employment who are often in poverty and may be found in the street begging for a price of a meal every day and who have become a burden on private and public charity in this State; and

"Whereas, by reason of the destructive policy pursued by the large employers of Arizona, Mexican immigrant labor has been, and is being, attracted by tens of thousands into this State, and even with the preference given by them by said employers there is a great oversupply of Mexican foreign labor, and large numbers of these people are a further burden on public and private charity; and

"Whereas the overwhelming majority of these Mexican immigrants are ignorant, insanitary, live in hovels, and are indifferent, even hostile, to our laws and institutions, and who have no intention of ever becoming citizens, and as such are most undesirable; and

"Whereas the court records in the industrial centers of Arizona conclusively prove that large numbers of these immigrants are and have been convicted of crimes and misdemeanors; and

"Whereas the court records further show that while the Mexican population of this State is less than 50 per cent, they contribute 80 per cent of the crimes and misdemeanors; and

"Whereas, according to the last report of the honorable Secretary of Labor, more than 500,000 immigrants from revolutionary Mexico had taken up their residence in the United States; and

"Whereas, according to press reports since the honorable Secretary's report was had, more than 30,000 fresh immigrants from Mexico have come to the border State of Arizona; and

"Whereas for every foreigner located in our industries a white native-born or naturalized citizen must remove and find a home and livelihood elsewhere; and

"Whereas the continuation of the Government's policy of unrestricted immigration from Mexico is destructive to our social, moral, economic, and political life and inimical to our most cherished institutions, and results solely and wholly in a doubtful and temporary benefit to a few large employers who care nothing for the serious results of their policy so long as it is profitable to them, and who in many instances pay a wage of bare subsistence to foreigners which is not sufficient to maintain a family in any sort of comfort: Therefore be it

"*Resolved*, That this organization pledges itself to oppose by every means that are lawful in its power the destructive labor policy so far pursued by the large employers of this State, and are unalterably opposed to free and unrestricted immigration from Mexico, Canada, or any other foreign country, since Mexico and Canada are already merely back doors which admit many undesirable immigrants otherwise barred by the present law, and the failure of Congress to include Mexico in the restrictions of the present law has resulted already in a flood of Mexican immigrants to this and other border States; and

"That we petition the Arizona delegation in Congress to aid us in our patriotic efforts to preserve the standards of our social and moral life and at least a fair measure of our economic rights, and to labor in Congress for a provision in the pending immigration bill to prohibit further immigration from Mexico and Canada and vigorously restrict all other immigration; and

"That in Arizona the issue now presented by the Mexican immigration is squarely whether the future of this State shall be dedicated to a white or to an Indian civilization, as shown and proven by numerous instances in history of immigration waves; whether American social life, morals, and institutions shall be perpetuated or whether these shall be supplanted by those of an inferior and an alien people; whether pioneers of Arizona and their descendants shall be able to help perpetuate and enjoy a white civilization which they have sacrificed much to found and develop or whether they themselves and their institutions shall be overwhelmed; and

"That copies of these resolutions be sent to each Member of the Arizona delegation in Congress, the Governor of Arizona, and to all the labor organizations with which we are affiliated for appropriate action."

Respectfully submitted by order of Local Union No. 1698, United Brotherhood of Carpenters and Joiners of America.

[SEAL.] R. T. LOBB, *President*.

Attest:

J. C. BRODIE, *Secretary*.

Dated at Superior, Ariz., January 22, 1924.

Mr. LODGE presented resolutions of the Massachusetts Audubon Society and the Brookline Bird Club, of Brookline, in the State of Massachusetts, favoring the passage of House bill 745, the so-called migratory bird refuge bill, which were referred to the Committee on Agriculture and Forestry.

Mr. CURTIS presented a petition, numerously signed, by young people of the First Methodist Episcopal Church of Caney, Kans., praying an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

Mr. BALL presented a petition of members of the Friends Meeting of the Religious Society of Friends, of Wilmington, Del., praying for the adoption of the so-called Bok award prize plan for world peace ,which was referred to the Committee on Foreign Relations.

Mr. McKINLEY presented a memorial of members of the University Club of Chicago, Ill., remonstrating against the passage of the so-called Bursum bill, relative to Pueblo Indian lands, which was referred to the Committee on Indian Affairs.

Mr. PEPPER presented a resolution of the Philadelphia (Pa.) Board of Trade, protesting against the passage of Senate bill 919, to amend the Federal reserve act, approved December 23, 1913, as amended, which was referred to the Committee on Finance.

He also presented a resolution of the Philadelphia (Pa.) Board of Trade, protesting against the passage of House bill 5091, proposing to place additional tax burdens on the estates of deceased citizens, which was referred to the Committee on Finance.

Mr. ROBINSON presented resolutions of the Pulaski County Medical Society, of Little Rock, Ark., favoring a reduction of the so-called Harrison Narcotic Act tax; and the passage of legislation allowing a physician to deduct as expenses all money expended in post-graduate study and in attending medical meetings, and providing that earned incomes be not taxed as heavily as incomes from investments, which were referred to the Committee on Finance.

He also presented a petition of sundry business and professional men of Little Rock, Ark., praying for the simplification of income tax laws, which was referred to the Committee on Finance.

He also presented petitions of sundry rural letter carriers of counties in the State of Arkansas, praying for the enactment of legislation providing a 6 cents per mile equipment allowance to rural letter carriers, which were referred to the Committee on Post Offices and Post Roads.

He also presented a resolution of the board of directors of the Southeast Arkansas Levee District, at Arkansas City, Ark., calling attention to an omission made in the publication and issuance of the Arkansas State highway map, to wit, the asphalt-concrete highway from Trippe Junction to Arkansas City and from Halley to Dermott and the gravel road from Gaines Landing to the Arkansas-Louisiana highway, just below Halley, which was referred to the Committee on Agriculture and Forestry.

Mr. FESS presented a resolution of Middletown (Ohio) Post, No. 218, the American Legion, Department of Ohio, favoring the enactment of legislation granting a bonus to ex-service men, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Piqua, Ohio, praying for the enactment of legislation to reduce taxes and for more simple, efficient, and economical administration, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Athens County, Ohio, praying for the passage of the so-called Watkins bill, suspending immigration until 1929, so as to provide time for the assimilation of aliens now in the United States, which was referred to the Committee on Immigration.

He also presented a petition of the Simpson Methodist Episcopal Church Auxiliary of the Woman's Home Missionary Society, of Canton, Ohio, praying an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

He also presented a resolution of the Christian Service Class of Simpson Methodist Episcopal Church, of Canton, Ohio, favoring an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

He also presented a resolution of Dayton Post, No. 5, the American Legion, Department of Ohio, favoring the reappointment of Comrade George H. Wood as local manager of the central branch of the National Military Home, which was referred to the Committee on Military Affairs.

He also presented a resolution of the Cleveland Chapter of Hadassah, of Cleveland, Ohio, protesting against the enactment of legislation to restrict future immigration to the United States by means of a 2 per cent quota, which was referred to the Committee on Immigration.

Mr. FRAZIER presented the petition of Matt Lodoen and 10 other citizens of Westhope, Bottineau, and Antler, in the State of North Dakota, praying for the enactment of legislation establishing a Government export corporation, which was referred to the Committee on Agriculture and Forestry.

He also presented resolutions of the Kiwanis Club of Devils Lake, and of the Northern Pacific Associated Shop Crafts' Booster Club, of Jamestown, both in the State of North Dakota, favoring the passage of Senate bill 1597, providing a $50,000,000 revolving loan to the livestock industry, which were referred to the Committee on Agriculture and Forestry.

He also presented the petition of F. F. Schumaker and 20 other citizens of Turtle Lake, N. Dak., praying for the passage of Senate bill 1597, providing a $50,000,000 revolving loan to the livestock industry, which was referred to the Committee on Agriculture and Forestry.

He also presented the petition of Roy F. Doue and 10 other postal clerks, city carriers, and rural carriers, of Mandan, N. Dak., praying for the enactment of legislation increasing the salaries of postal employees, which was referred to the Committee on Post Offices and Post Roads.

Mr. WILLIS presented the petition of the Cleveland Times & Commercial Newspaper Co. and 250 citizens of Cleveland, Ohio, praying for the adoption of the so-called Mellon tax-reduction plan, which was referred to the Committee on Finance.

He also presented a memorial of the Central Labor Union, of Dayton, Ohio, protesting against adoption of the so-called Mellon tax-reduction plan, which was referred to the Committee on Finance.

He also presented a resolution of the Southern Hardwood Traffic Association, of Cincinnati, Ohio, favoring a repeal of portions of the interstate commerce act vesting in the commission power to fix minimum rates, except only the provision which grants said power where its exercise is necessary in order to remove discrimination by intrastate rates against interstate commerce, which was referred to the Committee on Interstate Commerce.

He also presented the petition of E. A. Johnson and 96 other citizens of Trimble, Ohio, praying for the enactment of legislation suspending immigration until 1929, which was referred to the Committee on Immigration.

He also presented a resolution of the Ohio State Bar Association, favoring the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

Mr. LADD presented the petition of J. G. Kane and 17 other citizens of Russell, N. Dak., praying for the passage of Senate bill 1597, providing a $50,000,000 revolving loan to the livestock industry, which was referred to the Committee on Agriculture and Forestry.

He also presented the petition of N. B. Mautino and 97 other citizens of Stanford, N. Dak., praying for increased tariff duties on wheat, flour, flax, and linseed oil in order to minimize the competition of Canadian wheat and Argentine flax, which was referred to the Committee on Finance.

He also presented the petition of Pauline Rockwell and 47 other citizens of Makoti, N. Dak., praying for the participation of the United States in the Permanent Court of International Justice, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES.

Mr. BALL, from the Committee on the District of Columbia, to which was referred the bill (S. 114) to vacate certain streets and alleys within the area known as the Walter Reed General Hospital, District of Columbia; and to authorize the extension and widening of Fourteenth Street from Montague Street to its southern terminus south of Dahlia Street, Nicholson Street from Thirteenth Street to Sixteenth Street, Colorado Avenue from Montague Street to Thirteenth Street, Concord Avenue from Sixteenth Street to its western terminus west of Eighth Street west, Thirteenth Street from Nicholson Street to Piney Branch Road, and Piney Branch Road from Thirteenth Street to Blair Road, and for other purposes, reported it without amendment and submitted a report (No. 114) thereon.

Mr. GOODING, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S. J. Res. 52) for the relief of the drought-stricken farm areas of New Mexico, reported it with an amendment.

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

A bill (S. 321) for the relief of certain nations or tribes of Indians in Montana, Idaho, and Washington (Rept. No. 115); and

A bill (S. 2115) conferring jurisdiction upon the Court of Claims to hear, examine, adjudicate, and enter judgment in any claims which the Cherokee Indians may have against the United States, and for other purposes (Rept. No. 116).

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 107) for the relief of John H. McAtee, reported it without amendment and submitted a report (No. 117) thereon.

Mr. BROOKHART, from the Committee on Claims, to which was referred the bill (S. 799) for the relief of F. A. Maron, reported it without amendment and submitted a report (No. 118) thereon.

Mr. SMITH, from the Committee on Interstate Commerce, to which was referred the resolution (S. Res. 124) directing the Interstate Commerce Commission to secure information relative to amount of money expended for the purpose of creating public interest favorable to railroad sentiment, reported it with an amendment.

Mr. MAYFIELD, from the Committee on Claims, to which was referred the bill (S. 611) for the relief of Paul B. Belding, reported it with an amendment and submitted a report (No. 119) thereon.

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

A bill (S. 365) for the relief of Ellen B. Walker (Rept. No. 120);

A bill (S. 833) for the relief of Emma LaMee (Rept. No. 121); and

A bill (S. 1021) for the relief of the Alaska Commercial Co. (Rept. No. 122).

Mr. McLEAN, from the Committee on Banking and Currency, to which was referred the bill (S. 2209) to amend section 5147 of the Revised Statutes, reported it without amendment.

Mr. BURSUM, from the Committee on Military Affairs, to which was referred the bill (S. 33) making eligible for retirement under certain conditions officers of the Army of the United States, other than officers of the Regular Army, who incurred physical disability in line of duty while in the service of the United States during the World War, reported it with amendments and submitted a report (No. 123) thereon.

Mr. LADD, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2250) to promote a perma-

nent system of self-supporting agriculture in regions adversely affected by the stimulation of wheat production during the war, and aggravated by many years of small yields and high production costs of wheat, reported it with amendments and submitted a report (No. 124) thereon.

He also, from the Committee on Commerce, to which was referred the bill (S. 2014) to authorize the Park-Wood Lumber Co. to construct a bridge across the United States Canal which connects Apalachicola River and St. Andrews Bay, Fla., reported it with an amendment and submitted a report (No. 125) thereon.

He also, from the same committee, to which were referred the following bills, reported them each without amendment and submitted a report thereon as indicated:

A bill (H. R. 3681) to authorize the building of a bridge across the Waccamaw River, in South Carolina (Rept. No. 126); and

A bill (H. R. 4796) to extend the time of the Hudson River Connecting Railroad Corporation for the completion of its bridge across the Hudson River, in the State of New York.

SECRET EUROPEAN DIPLOMACY.

Mr. NORRIS. Mr. President, some time ago the Senator from Oklahoma [Mr. OWEN] delivered quite a lengthy speech upon the late World War. He has since written a letter in which he has given a short outline and synopsis, together with the references and authorities which he cited on that occasion. I ask unanimous consent to have printed in the RECORD the letter of the Senator from Oklahoma, together with his citations.

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

The matter referred to is as follows:

WASHINGTON, D. C., *December 1, 1923.*

FREDERICK J. LIBBY, Esq.,
Executive Secretary of the National
Council for the Prevention of War,
532 Seventeenth Street NW., Washington, D. C.

MY DEAR SIR: My remarks on the inner secrets of European diplomacy (see the CONGRESSIONAL RECORD of December 18, 1923, pp. 363 to 407, inclusive) were intended to show how a few men in St. Petersburg, Paris, London, and other foreign offices of Europe caused a war that killed, lost, and wounded 37,000,000 men and unnumbered millions of women and children. That Russia and France had prepared for war with Germany since 1892. That Russian intrigue and duplicity brought it about. That the fear of French leaders and their desire for revenge "firmly decided them on war" in spite of the efforts of Germany and Austria to avoid it. That England, bound by secret treaties to assist them against Germany, was drawn in. That the recurrence of such a world war can be prevented. And that European instability so caused and continued vitally affects American taxes, prices, and business.

1. SECRET DIPLOMACY AND PLANS FOR WAR.

The evidence submitted in my remarks shows that Russia, France, and Great Britain, as well as Germany and Austria, were governed in foreign affairs by three or four men in each foreign office.

The President of France, for instance, may legally negotiate and sign political treaties and treaties of alliance *upon his sole authority secretly*, without the necessity of parliamentary approval, much less public knowledge or approval (p. 363).

The French President, desiring to regain Alsace-Lorraine and to be protected against the menace of the German military machine, entered into a *secret* treaty with the Russian statesmen in *1892* (p. 365) in which it was agreed that if either Germany or Austria mobilized "France and Russia at the first indication of the event and without a previous agreement being necessary, shall mobilize all their forces immediately and simultaneously, and shall transport them as near to their frontiers as possible."

France to furnish 1,300,000 men, Russia 800,000 men.

"These forces shall begin complete action with the greatest dispatch, so that Germany will have to fight at the same time in the east and in the west."

The French and Russian military staffs were required to constantly plan in concert to carry out this treaty. They had nine annual conferences arranging the plans of attacking Germany up to 1913. The staffs expressly and in plain terms interpreted the treaty *as a treaty to make offensive war* (p. 365).

Exhibit 6, the secret records of the Russian Government in London (Entente Diplomacy and the World, de Siebert), and the Black Book (Un Livre Noir), the secret records of the Russian Government in St. Petersburg, show *that Russia had as a fixed policy a general European war as the only means of securing the Dardanelles and greater power in the Balkans and western Europe.* (Pp. 385–399.)

That the President of France pledged himself to support Russia by energetic diplomacy in their Balkan ambitions and under the secret treaty of 1892, and that the French Government admitted—

"With full knowledge and with all the cold blood necessary that the final result of the actual complications can be for it, the necessity of *the participation of France in a general war.* The moment when France should draw the sword is exactly determined by the Franco-Russian military convention, and under the understanding the French ministry entertain not the slightest doubt nor the slightest hesitation." (P. 380, Livre Noir, p. 372.)

The military conferences show that the French Army could concentrate as rapidly as the German Army, and that the Russian and French general staffs *relied on the help of the British Army* on the left flank of the French Army. (P. 366.)

Sir Edward Grey, of the British Foreign Office, made a *secret* entente agreement justifying the Russian and French statesmen to rely upon the military and naval assistance of Great Britain, *the existence of which was six times publicly denied* and not submitted to Parliament until the agreement had contributed to creating and the war was in existence. (P. 371. Exhibits 8 and 9.)

After the war began the Russian Minister of Foreign Affairs entered into a treaty with the French representatives as to a division of the German and Austrian territories, Russia to be at liberty to take what she pleased on the east, France and England to fix the diminished territories of Germany on the west. (Exhibit 5.)

2. HOW THE WAR WAS STARTED.

That in order to precipitate the war contemplated by the treaty of 1892 it was only necessary for the Russian statesmen to cause the Slav population in Serbia by intrigue to *cause Austria to mobilize.* This was done by Russian money through the Russian minister in Serbia. (P. 372.)

When the Austrian demand was made on Serbia July 23, 1914, Russia, through Sukhomlinoff, *Russian Minister of War, July 25, ordered a general mobilization secretly.* Serbia instantly mobilized, July 25. The Belgian Army was mobilized as of July 24. The French leaders were true to their obligations under the secret treaty of 1892 and immediately began military preparations.

It was the Russian policy to carry out its mobilization under the screen of negotiations for preserving peace and *to invade Germany without a declaration of war.*

The German leaders did their utmost to localize the conflict to Austria and Serbia and prevent a World War. The Austrian leaders solemnly declared the demands on Serbia were not an ultimatum, that they would respect Serbian territory against annexation, would respect Serbian sovereignty, and only sought Austrian safety and peace and would agree to mediation of the great powers. The German Ambassador in Paris, Baron Schön, proposed to the French Premier, Viviani, that France and Germany act as mediators between Austria and Russia.

The record shows that the German Government exerted itself through William II and through Von Bethmann-Hollweg to the limit of its capacity to localize the conflict between Austria and Serbia (p. 376). That neither France nor Great Britain was willing to really exercise a moderating influence on Russia to stop the military preparations against Germany, and that Sazonoff, Minister of Foreign Affairs, wired the Russian Ambasador in Paris July 27, telegram 1521 (p. 373):

"If there is a question of *exercising a moderating influence* in Petersburg, *we reject it in advance,* as we have adopted a standpoint from the outset *which we can in no way alter.*"

The French President and the French Premier were in Petrograd immediately before the general mobilization took place. They arrived in Paris July 29. On the night of July 30 the French War Minister with "*enthusiastic sincerity*" advised the Russian military attaché that the French Government was "*firmly decided upon war*" and requested the Russian military attaché to advise the Russian War Minister and express "the hope of the French general staff" that all the Russian efforts would be directed against Germany and that Austria should be treated as a negligible quantity. (Telegram 216, p. 374.)

Baron Rosen in his Forty Years of Diplomatic Life, testifies that the military party of Russia were for war and that the Russian Minister of War, Sukhomlinoff, stated in his presence on July 28, when he received word that Austria-Hungary had declared war on Serbia that—

"*This time* we shall march." (Russia had considered seriously making war on Germany in 1912 and 1913.)

The records from Belgium are in accord with the other record referred to, and the Belgian minister at Paris advised his Government that *the French leaders were pursuing a policy which he regarded as* "the greatest peril threatening to-day the peace of Europe."

The German authorities strenuously insisted from July 26 to July 31 to the Russian authorities that general mobilization of Russia meant war on Germany and that Germany would be compelled to mobilize if Russia persisted in its warlike preparations against Germany.

On July 31, after the Russians had been mobilizing for seven days, the German Government demanded of Russia the immediate cessation of its mobilization within 12 hours, as of 1 p. m. Saturday, August 1,

1914. Upon Russia's refusal, the German authorities ordered a general mobilization 5 p. m. August 1 and *notified the Russian Government 7.10 p. m. August 1 that Germany considered itself in a state of war with Russia, because Russia's warlike preparations against Germany, which they refused to suspend, meant war against Germany.*

The Russian patrols crossed the German lines in four places on August 1. The French patrols crossed the German line in two places on August 2. The British troops equipped for war were in motion through London on the morning of August 2.

3. RESPONSIBILITY FOR THE WAR.

When the war broke out the British, French, Belgian, German, Austrian, Serbian, and Russian Governments immediately issued white books, yellow books, gray books, red books, orange books, etc., each one attempting to prove an alibi to show that each Government was innocent of crucifying the world on the battle field. The folly of everyone contributed, but it was Russia, with its ambitions for the Dardanelles and greater power, using the fear of French leaders and their desire for revenge, that caused the war. They forced Austria to mobilize by the dastardly assassination of the Crown Prince and his wife on Austrian territory by Serbian intrigue, and immediately carried out the secret treaty of 1892 to attack Germany. With infinite skill they put the moral responsibility upon Germany by building up so gigantic a menace on the German frontier that the military leaders responsible to the German people dared not delay another day, and declared the Russian menace constituted a state of war by Russia against Germany.

The moment that war occurred the Entente Allies controlling the press, the cables, the telegraphs of the world, smothered Germany's plea that the war was forced on her. By world-wide propaganda the world was taught to hate the German people, to hate the German language, to blacklist German merchants, and to treat every German in the world as a spy and an alien enemy, and the world accepted the doctrine that the German leaders were altogether guilty.

German blood guilt was written in the treaty of Versailles, section 231, and the German leaders, under a famine blockade and threatened by industrial and political ruin, were compelled to accept the entire blame of causing the World War. All history is accepted fiction. Once in a long time a Dreyfus decision is reversed.

4. WHAT CAN BE DONE ABOUT IT?

It is idle to reproach men. The Romanoffs who caused the war are all dead. The Hapsburg Emperor, the old Francis Joseph, who resented the killing of the crown prince, is dead, and his heir is dead. The Hohenzollerns who declared a state of war existing August 1 were dethroned and driven from Germany.

The question now is shall the imbecile Romanoff policy of brute force in disregard of justice and righteousness be persisted in, or shall the better policy of understanding and good will be brought about by the wisdom of the leaders of the nations and by the clearer vision of the great world press whose enormous responsibility and power should never be lost sight of.

My remarks submitting the evidence was spoken as a true and faithful friend of the French people. I supported France from the beginning to the end of the war. But I refuse to be an enemy of the German people. I have spoken as a friend of mankind in behalf of the truer and better interests of the fathers and mothers of France and of the fathers and mothers of Germany. I am unwilling ever again to see the farmers and laborers and artists of France and of Germany led to murder each other en masse again by the folly of a few ambitious leaders. I wish these people to know that their fear and hate of each other is due to the folly of their own leadership, using their taxes to subsidize the press and make them hate and fear each other and at last leading them to kill each other.

American ideals are best, not only in a spiritual sense, but in a material sense. American ideals lead to production, to abundance, to commercial and financial prosperity. I wish it were possible for the world to realize the great fundamental truths in which the American people believe, the Government of the people, by the people, for the people, and international charity and good will.

Yours very respectfully,

ROBERT L. OWEN.

Exhibits referred to in my speech in the CONGRESSIONAL RECORD of December 18, 1923, are as follows:

Exhibit 1. Franco-Russian Treaty, 1892. (p. 357.)
Exhibit 2. Franco-Russian military conference, 1911. (p. 357.)
Exhibit 3. Franco-Russian military conference, 1912. (p. 359.)
Exhibit 4. Franco-Russian military conference, 1913. (p. 361.)
Exhibit 5. Franco-Russian Treaty, 1916–17. (p. 362.)
Exhibit 6. Chapter XII. Entente Diplomacy and the World, Secret Russian Documents. (p. 377.)
Exhibit 7. Falsification of the Russian Orange Book of 1914. (pp. 383–391.)
Exhibit 8. Letter, Grey to Cambon, November 22, 1912. (p. 363.)
Exhibit 9. Letter, Cambon to Grey, November 23, 1912. (p. 363.)
Exhibit 10. Russian Military Preparations. Bausman. (p. 391.)
Exhibit 11. von Moltke's Summary. Bausman. (p. 392.)
Exhibit 12. German Demand on Belgium for Passage. (p. 393.)
Exhibit 13. Dispatch, General Foch, Lloyd-George, Clemenceau, Orlando, June 3, 1918, praying for speedy American support. (p. 376.)
Exhibit 14. Armistice Terms imposed by Foch November 14, 1918. (p. 393.)
Exhibit 15. What Germany has paid—comparative statements. (p. 394.)
Exhibit 16. How much has Germany paid. Keynes. (p. 396.)

BOOKS QUOTED.

Bayerische dokumente zum kriegsausbruch und zum Versailler schuldspruch. Dr. P. Dirr.
Official German Documents Relating to the World War. Volume I.
Official German Documents Relating to the World War. Volume II.
Pre-war Diplomacy. 1919. E. D. Morel.
The Secret Treaties. F. Seymour Cocks.
Let France Explain. Bausman; Allen & Unwin, London.
Lex Talionis. Hills; Fleet, McKinley Co., Baltimore.
A Revision of the Treaty. J. M. Keynes; Harcourt, Brace & Co., New York.
Reflections of the World War. Bethmann-Hollweg; Thornton, Butterworth, London.
Germany's Capacity to Pay. Moulton & McGuire; McGraw-Hills Book Co., New York.
Entente Diplomacy and the World. de Siebert; Knickerbocker Press, New York.
Ten Years of Secret Diplomacy. E. D. Morel; National Labor Press, Manchester.
The Falsification of the Russian Orange Book. Baron von Romberg; George Allen & Unwin, London.
The Falsification of the Russian Orange Book. Baron von Romberg; B. W. Huebsch, New York.
Recollections of a Foreign Minister. Izvolski; Doubleday, Page & Co., New York.
History of the World War. Francis A. March; John C. Winston Co., Philadelphia.
Un Livre Noir (Russian Archives), 2 volumes. Rene Marchand; Librairie du Travail, Paris.
Les Responsabilities de la Guerre. De Martial.
Sur la Question des Responsabilites. De Montgelas.
Considerations sur les Responsabilites de la Guerre. Dupin.
Poincare a-t-il voulu la guerre? de Toury.
Comment s'est declanchée la guerre mondiale. Kautsky.
Diplomatic Genesis of War. E. D. Morel.
Les Responsables de la Guerre. A. Pevet.
German Documents Relative to the Origin of the War, 4 volumes. C. Jordan.
Austrian Documents, Diplomatic Action Looking to War, 3 volumes. Official publication.
Diplomacy Revealed. E. D. Morel.
Secret Documents of the Archives of the Minister of Foreign Affairs of Russia. Emile Laloy.
Diplomatic Documents, History of the Policy of the Entente Before the War. de Siebert.
The Myth of a Guilty Nation. Nock; B. W. Huebsch, New York.
Economic Imperialism. Leonard Wolf; Harcourt, Brace & Howe, New York.
The Causes of International War. G. L. Dickinson; Harcourt, Brace & Howe, New York.
Truth and the War. E. D. Morel.
How Diplomats Make War. Francis Neilson; B. W. Huebsch, New York.
Belgium and the European Crisis. Official reports; E. S. Mitler & Sons, Berlin.
The Living Age. August, September, October, 1922.
Diplomatic Documents Relating to the Outbreak of European War, etc., 2 volumes. Scott, Jos. W.

HEARINGS BEFORE COMMITTEE ON PENSIONS.

Mr. KEYES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution No. 136. The resolution is in the usual form, and I ask unanimous consent for its immediate consideration.

Mr. KING. Let the resolution be read.

The PRESIDENT pro tempore. The resolution will be read.

The resolution (S. Res. 136) submitted by Mr. BURSUM on the 29th instant was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Pensions, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-eighth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per 100 words to report such hearings as may be had in connection with any

subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

REPORTS OF PUBLIC UTILITIES IN THE DISTRICT (S. DOC. NO. 30).

Mr. BALL. On behalf of the Committee on the District of Columbia I request that the reports of public utilities in the District be printed as a public document.

The PRESIDENT pro tempore. In the absence of objection it is so ordered.

ENROLLED BILL PRESENTED.

Mr. WATSON, from the Committee on Enrolled Bills, reported that on January 29, 1924, they presented to the President of the United States the bill (S. 160) authorizing the State of Georgia to construct a bridge across the Chattahoochee River, between the States of Georgia and Alabama, at or near Fort Gaines, Ga.

MEMORIAL TO THE NAVY AND MARINE SERVICES.

Mr. PEPPER. From the Committee on the Library I report back favorably without amendment the joint resolution (S. J. Res. 68) authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to the Navy and marine services, to be known as Navy and Marine Memorial Dedicated to Americans Lost at Sea. I ask unanimous consent for its present consideration.

There being no objection, the joint resolution was considered as in Committee of the Whole, and it was read, as follows:

Resolved, etc., That the Chief of Engineers, United States Army, be, and he is hereby, authorized and directed to grant permission to the honorary national committee and executive committee of the Navy and marine memorial for the erection on public grounds of the United States in the city of Washington, D. C., other than those of the Capitol, the Library of Congress, and the White House, of a memorial to the Navy and marine services, to be known as Navy and Marine Memorial Dedicated to Americans Lost at Sea: *Provided*, That the site chosen and the design of the memorial shall be approved by the National Commission of Fine Arts, and that the United States shall be put to no expense in or by the erection of the said memorial.

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

BILLS AND JOINT RESOLUTION INTRODUCED.

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

By Mr. ELKINS:

A bill (S. 2306) for the relief of L. R. Elkins; to the Committee on Claims.

A bill (S. 2307) granting a pension to Noah C. Reynolds; to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 2308) authorizing and directing the Secretary of War to transfer to the jurisdiction of the Department of Justice all that portion of the Fort Leavenworth Military Reservation which lies in the State of Missouri, and for other purposes; to the Committee on Military Affairs.

A bill (S. 2309) to provide adjusted compensation for veterans of the World War, and for other purposes; to the Committee on Finance.

By Mr. McKINLEY:

A bill (S. 2310) to provide a site for the erection of a building for the National Conservatory of Music of America; to the Committee on Public Buildings and Grounds.

By Mr. JONES of Washington:

A bill (S. 2311) to provide for protection of aids to navigation in the Lighthouse Service, and for other purposes; to the Committee on Commerce.

A bill (S. 2312) authorizing the use of the vessels of the United States Navy in the prevention of smuggling, and for other purposes; to the Committee on Naval Affairs.

By Mr. HARRELD:

A bill (S. 2313) for the protection of the restricted lands and funds of Indians of the Five Civilized Tribes, and for other purposes;

A bill (S. 2314) to permit the leasing of unallotted lands of Indians for oil and gas purposes for a stated term and as long thereafter as oil or gas is found in paying quantities, and for other purposes; and

A bill (S. 2315) to amend an act entitled "An act for the division of the lands and funds of the Osage Indians in Oklahoma, and for other purposes," approved June 28, 1906, and acts amendatory thereof and supplemental thereto; to the Committee on Indian Affairs.

Mr. NORRIS. I introduce two bills which have been prepared by the Department of Agriculture, one proposing to amend the so-called packers and stockyards act and the other to allow a credit to one of the employees of the department. I ask that the bills may be read and referred to the Committee on Agriculture and Forestry.

By Mr. NORRIS:

A bill (S. 2316) to allow credit in the accounts of A. W. Smith; and

A bill (S. 2317) to amend the packers and stockyards act, 1921, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SMITH (by request):

A bill (S. 2318) to amend an act entitled "An act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," approved February 17, 1911, as amended March 4, 1915, and June 26, 1918; to the Committee on Interstate Commerce.

By Mr. SHEPPARD:

A bill (S. 2319) to extend the benefits of the employers' liability act of September 7, 1916, to Alton Harwell; to the Committee on Claims.

A bill (S. 2320) authorizing the payment of claims of men of the Army and Marine Corps while in training for commissions in the combatant branches of the Army and Marine Corps, and authorizing an appropriation therefor; to the Committee on Military Affairs.

By Mr. SHIELDS:

A bill (S. 2321) obligating Federal reserve banks to pay interest upon all realized balances, whether reserve or otherwise, maintained by all member banks; to the Committee on Banking and Currency.

By Mr. OVERMAN:

A bill (S. 2322) granting the Fort Caswell (N. C.) Military Reservation to the State of North Carolina; to the Committee on Military Affairs.

By Mr. PEPPER:

A bill (S. 2323) granting a pension to Matilda A. Swift; and

A bill (S. 2324) granting an increase of pension to Elizabeth A. Ashmead; to the Committee on Pensions.

By Mr. PHIPPS:

A bill (S. 2325) to authorize and regulate the grazing of livestock on the unreserved public domain, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. McNARY:

A bill (S. 2326) to fix standards for hampers, round stave baskets, and splint baskets for fruits and vegetables, and for other purposes; to the Committee on Manufactures.

By Mr. GOODING:

A bill (S. 2327) to amend section 4 of the interstate commerce act; to the Committee on Interstate Commerce.

By Mr. DALE:

A bill (S. 2328) granting an increase of pension to Alice M. Jones; to the Committee on Pensions.

By Mr. ROBINSON:

A bill (S. 2329) to authorize an appropriation of $15,000 for use in dredging Ouachita River between Arkadelphia and Camden, Ark.; to the Committee on Commerce.

A bill (S. 2330) to create an additional land district in the Territory of Alaska, with a land office at Juneau, Alaska, and authorizing the President to appoint a register for said land district; to the Committee on Territories and Insular Possessions.

By Mr. STERLING:

A bill (S. 2331) granting a pension to Albert Peterson; to the Committee on Pensions.

A bill (S. 2332) granting the consent of Congress to the State of South Dakota for the construction of a bridge across the Missouri River between Hughes County and Stanley County, S. Dak.; to the Committee on Commerce.

By Mr. MOSES:

A bill (S. 2333) for the relief of Joseph Y. Dreisonstok; to the Committee on Claims.

By Mr. WADSWORTH:

A bill (S. 2334) to purchase a painting of the late President Warren G. Harding; to the Committee on the Library.

By Mr. BORAH:

A bill (S. 2335) granting a pension to Oscar M. Simpkins; and

A bill (S. 2336) granting a pension to Charlotte B. Thompson (with accompanying papers); to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 2337) granting an increase of pension to Martha Spires (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 2338) authorizing the Secretary of War to deliver to Rosser C. Fraser Post, No. 340, the American Legion, Moundridge, Kans., one piece of German field artillery, with certain equipment; to the Committee on Military Affairs.

By Mr. HARRISON:

A bill (S. 2339) for the relief of Frank B. Ferrill, formerly a lieutenant (T) in the Dental Corps, United States Navy; to the Committee on Naval Affairs.

By Mr. OVERMAN:

A bill (S. 2340) to establish a national military park at the site of Fort Fisher, N. C.; to the Committee on Military Affairs.

A bill (S. 2341) for the relief of Ethel A. Fullwood;

A bill (S. 2342) for the relief of Josie N. Styron;

A bill (S. 2343) for the relief of the widow of Hugh D. Ward; and

A bill (S. 2344) for the relief of the Stone Towing Line; to the Committee on Claims.

A bill (S. 2345) granting a pension to Crawford W. Watts;

A bill (S. 2346) granting a pension to D. W. Fulcher;

A bill (S. 2347) granting a pension to James H. Brittain;

A bill (S. 2348) granting an increase of pension to Robert H. Cowan;

A bill (S. 2349) granting a pension to H. E. O. Mintz; and

A bill (S. 2350) granting a pension to Oscar Sorensen; to the Committee on Pensions.

By Mr. McKINLEY:

A bill (S. 2351) for the relief of John J. Beattie; to the Committee on Claims.

By Mr. OWEN:

A bill (S. 2352) to provide for the importation free of duty into the United States of bedding, wearing apparel, household goods, and utensils by cooperative associations of persons solely engaged in farming and husbandry, and for other purposes; to the Committee on Finance.

By Mr. STANFIELD:

A bill (S. 2353) granting a pension to Rebekah M. Presley; to the Committee on Pensions.

A bill (S. 2354) for the relief of George W. Samson; to the Committee on Military Affairs.

A bill (S. 2355) to authorize the improvement of the Oregon Caves in the Siskiyou National Forest, Oreg.; to the Committee on Agriculture and Forestry.

A bill (S. 2356) for the relief of Ethel W. Sels;

A bill (S. 2357) for the relief of the Pacific Commissary Co.; and

A bill (S. 2358) for the relief of the Ralph Ackley Land Co. (Inc.) and others; to the Committee on Claims.

By Mr. RANSDELL:

A joint resolution (S. J. Res. 72) authorizing the Secretary of War to lease to the New Orleans Association of Commerce New Orleans Quartermaster Intermediate Depot Unit, No. 2; to the Committee on Military Affairs.

AMENDMENT OF INTERSTATE COMMERCE ACT.

Mr. SHIELDS submitted an amendment intended to be proposed by him to the bill (S. 2054) to amend the interstate commerce act, which was referred to the Committee on Interstate Commerce and ordered to be printed.

SAN CARLOS RESERVOIR PROJECT, ARIZONA.

Mr. CAMERON submitted an amendment intended to be proposed by him to the bill (S. 966) for the continuance of construction work on the San Carlos Federal irrigation project in Arizona, and for other purposes, which was referred to the Committee on Indian Affairs and ordered to be printed.

PROMOTION OF AGRICULTURE.

Mr. HARRIS and Mr. HARRISON each submitted an amendment intended to be proposed by them to the bill (S. 2250) to promote a permanent system of self-supporting agriculture in regions adversely affected by the stimulation of wheat production during the war, and aggravated by many years of small yields and high production costs of wheat, which were ordered to lie on the table and to be printed.

AMENDMENT OF INTERIOR DEPARTMENT APPROPRIATION BILL.

Mr. HARRIS submitted an amendment proposing to increase the appropriation for preparation of the reports of the mineral resources of the United States, including special statistical inquiries as to production, distribution, and consumption of the essential minerals, from $125,000 to $150,000, and providing that $25,000 shall be immediately available for examination of arsenic-bearing ores, intended to be proposed by him to House bill 5078, the Interior Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

PROSECUTION OF FRAUDULENT WAR CONTRACTS.

Mr. NORRIS. Mr. President, I submit a resolution and ask unanimous consent for its immediate consideration.

The resolution (S. Res. 138) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Attorney General be, and he is hereby, directed to give the Senate the following information:

1. In the prosecution of persons, partnerships, or corporations charged with defrauding the Government in any war contract or contracts for the sale of surplus war materials, or any contract connected with or relating to any such materials or war supplies, wherein both a civil and a criminal liability is alleged or claimed, has the Department of Justice made settlement of the civil liability without prosecuting the same defendants for criminal liability?

2. Give a detailed list of such cases, including:

(a) The nature of the fraudulent act charged in each case.

(b) The date of each settlement so made.

(c) The amount of money claimed to be due the Government in each case.

(d) The amount of money paid in settlement in each case.

(e) The name and place of business or residence of the defendants in each case.

3. In the settlement of the civil liability was any agreement made by the Department of Justice not to prosecute for criminal liability; and if so, what authority of law exists for making the same?

Mr. KING subsequently said: Mr. President, I sought the floor a moment ago to offer a resolution which is rather a supplement to the resolution just offered by the Senator from Nebraska, and adopted. I now ask unanimous consent for the present consideration of the resolution which I send to the desk and ask to have read.

The PRESIDENT pro tempore. The resolution will be read.

The resolution (S. Res. 139) was read, as follows:

Resolved, That the Attorney General is directed to report to the Senate what disposition, if any, he has made of the $1,000,000 appropriated for the prosecution of frauds against the Government growing out of the war contracts; and also to report to the Senate the number of actions, if any, which have been brought to prosecute such frauds or to recover moneys due the Government, and the status of each case, and particularly to report to the Senate what disposition has been made by him of the case of the Government against the Wright-Martin Aircraft Co., of New York, submitted to him for prosecution in October, 1921, by the Secretary of War.

The PRESIDENT pro tempore. Is there objection to receiving this resolution?

Mr. KING. I ask for its immediate consideration.

Mr. CURTIS. We could not hear what the resolution provides.

The PRESIDENT pro tempore. The Senator from Utah asks for immediate consideration of the resolution.

Mr. CURTIS. I was unable to hear the reading of the resolution. I understand it was just presented; and in view of that fact, unless it is reread, I will ask that it go over for the present. I dislike to ask that it be reread, because I would like to read it myself.

Mr. KING. As I stated, it is a proper supplement to the resolution which was just adopted, offered by the Senator from Nebraska. It asks the Attorney General to furnish information relative to what he has done in the prosecution of war fraud cases, as to cases instituted, and the status of the various cases.

Mr. CURTIS. I have no objection to that.

The PRESIDENT pro tempore. The Senator from Kansas withdraws his objection, and the question is upon agreeing to the resolution.

The resolution was agreed to.

AIR-SERVICE CONTRACTS.

Mr. KING. I submit a resolution and ask that it be printed in the RECORD and lie on the table.

There being no objection, the resolution (S. Res. 140) was ordered to lie on the table and to be printed in the RECORD, as follows:

Resolved, That the Secretary of War is directed to report to the Senate a list of all contracts between the Government and any individual or corporaion which have been investigated and audited by the contract section of the Air Service or by the contract section of the Bureau of Finance of the War Department, together with specifica-

tions as to the amounts of money which have been found to have been overpaid by the Government to any such persons or corporations upon such contracts, and further to report to the Senate what has been done to obtain collection of said amounts on behalf of the Government.

HEARINGS BEFORE COMMITTEE ON POST OFFICES AND POST ROADS.

Mr. STANFIELD submitted the following resolution (S. Res. 141), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Post Offices and Post Roads, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-eighth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 54) directing the President to institute and prosecute suits to cancel certain leases of oil lands and incidental contracts, and for other purposes.

He also announced that the House had passed a bill (H. R. 5078) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1925, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILLS REFERRED.

The bill (H. R. 5078) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1925, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

UNITED STATES TARIFF COMMISSION.

The PRESIDENT pro tempore. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Secretary read the resolution (S. Res. 131) submitted by Mr. ROBINSON on January 22, 1924, as follows:

Whereas Commissioner H. H. Glassie, a member of the United States Tariff Commission, has publicly stated that his wife is the owner of 144 shares, par value $14,400, of stock in the Columbia Sugar Co., a Louisiana corporation owning and operating a sugar plantation and mill; and that the remainder of the entire capital stock of the aforesaid corporation—par value $200,000—is owned by four brothers and one sister of the wife of Commissioner Glassie; and further, that one of these brothers is the manager of the plantation owned by the corporation; and

Whereas this corporation is directly and financially interested in the hearings now proceeding before the Tariff Commission under the so-called flexible provisions of the Fordney-McCumber Tariff Act of 1922 to determine what increase or decrease in the existing duties upon sugar shall be recommended to the President of the United States; and

Whereas the property interests of Commissioner Glassie's wife and her brothers and sister in the results of the Tariff Commission's investigations, findings, and recommendations concerning the sugar schedule of the tariff act constitutes for him a disqualifying interest under the legal maxim that "a person can not be judge in his own case; and any interest in the subject of a suit will disqualify a judge to preside in the trial thereof"; and

Whereas "the rule of disqualification on account of interest in the subject matter or result of litigation extends to every tribunal exercising judicial or quasi judicial functions" (Encyclopedia of Law and Procedure, vol. 23, p. 590); and

Whereas the Tariff Commission has declared in a case now pending before the Supreme Court of the United States that it is exercising "quasi judicial power and authority conferred upon it by statute"; and

Whereas Commissioner Glassie has asserted, after admitting the property interest aforesaid, that he is the sole judge of his qualification, and that it is his intention to "continue to sit in this case and in this investigation"; and

Whereas Commissioner Glassie's right to sit in this case has been challenged by three members of the Tariff Commission; and

Whereas his further participation in the case is repugnant to every standard of justice, and will discredit any findings or recommendations made by the Tariff Commission as a result of this investigation; and

Whereas the Tariff Commission has refused by a tie vote, with Commissioner Glassie voting, to adopt a rule of conduct and procedure that no commissioner who has a private interest in any investigation should officially participate in any of the quasi-judicial investigations provided for by the flexible provisions of the tariff law of 1922; and

Whereas the Interstate Commerce Commission and other Federal commissions conduct their proceedings under rules which prohibit any member from participating in the disposition of any matter in which he has an interest, financial or otherwise, directly or indirectly; and

Whereas the precedent established by Mr. Glassie under the circumstances would be destructive of the standards of justice and honor hitherto recognized by governmental bodies, and would tend to undermine the confidence of the American people and foreign governments in the findings of that commission: Now therefore be it

Resolved, That it is the sense of the Senate that, under the circumstances stated above, the proceedings of the United States Tariff Commission in the present investigation will not command public confidence, and that in order to accomplish the legislative purpose of the act creating the United States Tariff Commission it is necessary that the commission adopt and proceed under a rule which in substance disqualifies any member of the commission from acting in any investigation or making any recommendation or decision in a matter wherein either the commissioner or any member of his immediate famliy has a property or financial interest to be affected by such investigation, recommendation, or decision.

Mr. CURTIS. Mr. President, I understood that the resolution was to go over, though I am not certain that such an agreement was reached.

Mr. ROBINSON. Mr. President, this resolution has been lying on the table since it was introduced on January 22. At the request of various Senators I have, from time to time, consented that the resolution should go over. The Senate has been very busily engaged in the consideration of other important matters, and I have not felt constrained to urge hasty disposition of this resolution. It involves a very important question of public policy, and it is desirable that the Senate, before disposing of the matter, should understand the effect of the resolution, and act with a full knowledge of its purposes and consequences.

I am ready to proceed to a consideration and disposition of the resolution.

Mr. McLEAN. Mr. President——

Mr. ROBINSON. I yield to the Senator from Connecticut.

Mr. McLEAN. I inquire if the Senator intends to press for a vote on the resolution to-day?

Mr. ROBINSON. I have just stated that at the request of various Senators the resolution has gone over from time to time. I am not disposed to request that its consideration be deferred.

Mr. BROUSSARD and Mr. CURTIS addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Arkansas yield; and if so, to whom?

Mr. ROBINSON. I yield first to the Senator from Louisiana.

Mr. BROUSSARD. Mr. President, I am very much interested in this resolution. I think it will take a long time to dispose of it. To my mind, the question is purely a judicial one. There will be very lengthy discussion with reference to the law on the statute books, and that will take a great deal of time. I do not think we could enter upon the consideration of this resolution and dispose of it to-day. There are a number of Senators, I know, who desire to speak against it, and I am sure there are a number who desire to advocate its adoption. Therefore, I request that the matter go over to a time when we may take it up and consider it to its finality.

Mr. ROBINSON. I yield now to the Senator from Kansas.

Mr. CURTIS. Mr. President, I simply wanted to state that two Senators who are absent asked me, in case the resolution came up, to suggest that it go over, as they want to be here when it is considered, and if it is taken up I shall feel constrained to ask for a quorum in order that they may be here. Personally, I am ready to take it up immediately; but at the request of these Senators I hope the Senator will let it go over, because I know that one of the Senators to whom I refer is now busy in committee work.

Mr. ROBINSON. Very well, Mr. President, at the request of the Senator from Louisiana and the Senator from Kansas the resolution may go over for the day.

The PRESIDENT pro tempore. The resolution will go over without prejudice.

Mr. CURTIS. Mr. President, is the morning business concluded?

The PRESIDENT pro tempore. It has not yet been concluded.

Mr. CURTIS. After the morning business is over I desire to suggest that we go on with the calendar until 2 o'clock, or until we complete it.

EDWIN DENBY, SECRETARY OF THE NAVY.

Mr. ROBINSON. Mr. President, pending the request of the Senator from Kansas I ask leave, out of order, to send to the desk a modified proposal respecting the resoultion which is the unfinished business. I ask that it be read and printed.

The PRESIDENT pro tempore. Without objection, the Secretary will read the modified resolution.

The reading clerk read as follows:

Whereas the United States Senate did, on January 31, 1924, by unanimous vote adopt Senate Joint Resolution No. 54, to procure the annulment of certain leases in the naval oil reserves of the United States; and

Whereas the said resolution, among other things, declared as follows:

"Whereas it appears from evidence taken by the Committee on Public Lands and Surveys of the United States Senate that certain lease of naval reserve No. 3, in the State of Wyoming, bearing date April 7, 1922, made in form by the Government of the United States, through Albert B. Fall, Secretary of the Interior, and Edwin Denby, Secretary of the Navy, as lessor, to the Mammoth Oil Co., as lessee; and that certain contract between the Government of the United States and the Pan American Petroleum & Transport Co., dated April 25, 1922, signed by Edward C. Finney, Acting Secretary of the Interior, and Edwin Denby, Secretary of the Navy, relating, among other things, to the construction of oil tanks at Pearl Harbor, Territory of Hawaii; and that certain lease of naval reserve No. 1, in the State of California, bearing date December 11, 1922, made in form by the Government of the United States, through Albert B. Fall, Secretary of the Interior, and Edwin Denby, Secretary of the Navy, as lessor, to the Pan American Petroleum Co., as lessee, were executed under circumstances indicating fraud and corruption; and

"Whereas the said leases and contracts were entered into without authority on the part of the officers purporting to act in the execution of the same for the United States and in violation of the laws of Congress; and

"Whereas such leases and contract were made in defiance of the settled policy of the Government, adhered to through three successive administrations, to maintain in the ground a great reserve supply of oil adequate to the needs of the Navy in any emergency threatening the national security": Therefore be it

Resolved, That it is the sense of the United States Senate that the President of the United States immediately request the resignation of Edwin Denby as Secretary of the Navy.

Mr. ROBINSON. Mr. President, I submit the draft just read as the modified form of the resolution under which the Senate will proceed when it resumes the consideration of the unfinished business.

ADDRESS BY SENATOR COPELAND ON ANDREW JACKSON.

Mr. ROBINSON. Mr. President, I ask leave to have printed in the RECORD an address by the Senator from New York [Mr. COPELAND] on the life, services, and character of Andrew Jackson.

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

THE STATE OF THE UNION.

[Jackson Day address of Senator ROYAL S. COPELAND, Duckworth Democratic Club, Cincinnati, Ohio, January 26, 1924.]

Senator COPELAND spoke as follows:

"Sometimes we find fault with our immigration laws and wonder why Congress does not make them more restrictive. From time to time, however, there are brought to our attention notable examples of what America owes to immigrants and the sons of immigrants. We are here to-night to honor the memory of Andrew Jackson, a native of the Carolinas, it is true, but the son of an Irishman who came to America but two short years before the birth of his illustrious son.

"Young Andrew was a sturdy youth, and in his earliest years showed the independence of spirit which never forsook him. As a boy of 16 he was captured by the British and while a prisoner was wounded by an officer of the British Army because of a point-blank refusal to clean the boots of this military autocrat. Jackson never cleaned anybody's boots. He did not consider himself above honest service, no matter how menial. But in all the history of America there is not to be found a more outstanding example of an iron soul, unwilling to truckle to those in authority or to bow the head simply because of the assumption of authority.

"The reason why we do honor to Andrew Jackson this January, as we have every January for a hundred years, is because on January 8, 1815, he gained his great victory at New Orleans. His success made this the last battle of the war, and with the treaty of peace America finally ended her differences with the mother country. The battle of New Orleans represents the last effort of Great Britain to subjugate America, and Jackson, the hero of that last battle, will ever be counted among the great characters of American history.

"Democrats look to Andrew Jackson because he fought the battles of democracy. He was found ever on the side against class distinctions, and the cause of the people was to him dearer and more important than the cause of any class in our society.

"If Jackson were living to-day, he would be found fighting against the great interests which attempt now, as they did in his day, to dominate the thought and the action of those in authority. Every Member of Congress realizes to-day, as perhaps he never did before, how domineering, insistent, unfair, and overbearing are the demands of wealth and the political power back of great wealth.

"Were Jackson living to-day he would be in the front line fighting the battle of the masses, insisting that the powerful influences entrenched in the banking houses, brokerage houses, and great corporations of this country should not take possession of the machinery of government and control the terms under which the common people of this country should live and have their being.

"If Jackson were here, I know what he would say to us. He would say, 'Serve notice now on the great interests and the swollen fortunes of the country, commonly referred to as Wall Street, that they shall not be permitted to dictate the financial legislation of the Congress.'

"If Jackson were living, he would say to his Democratic warriors that the burdens of taxation must be distributed justly, and that in the writing of tax laws and other laws relating to the welfare of our country these great interests shall not be permitted to overrule the rights of the common people.

"We are living in a remarkable period of the world's history. No matter how complex, how compelling, how disturbing, how heartbreaking any other time may have been, I doubt if the souls of men have ever been tried more than they are at this moment.

"If I may be permitted, I should like to review some of the factors entering into the problems of the day, and particularly to discuss the effects of these problems upon certain groups of our citizens.

FARMERS.

"It is admitted by all well-informed persons that the fundamental industry of America—and for that matter, of all countries—is agriculture. Unless the farmer prospers, there can not be permanent prosperity for any nation. For reasons which we need not discuss at great length now, the farmer is not prospering. In terms of barter he is at a tremendous disadvantage.

"I was much startled the other day by a letter sent to a New York newspaper by a Virginia farmer. He has taken pains to translate the cost of labor engaged in building into food values at the farm. If you have not thought to make a similar comparison, you will be astonished by these examples:

"It takes 63½ dozen, or 762, eggs to pay a plasterer for one day of eight hours' work. It takes 17½ bushels of corn, or a year's receipts from half an acre, to pay a bricklayer one day. It takes 23 chickens weighing 3 pounds each to pay a painter for one day's work in New York. It takes 42 pounds of butter, or the output from 14 cows, fed and milked for 24 hours, to pay a plumber $14 a day. It takes a hog weighing 175 pounds, representing eight months' feeding and care, to pay a carpenter for one day's work.

"What do these figures indicate? Are they not discouraging to the farmer? Will they deter him from plowing and planting? What is the lesson to be learned from the present industrial situation?

"Before I attempt to answer my own questions I want to present some further facts relating to agriculture. In normal times we export from this country 170,000,000 bushels of wheat. Conditions in Europe are such that Europeans have no money to pay for our products. Their poverty and depreciated currency make it impossible for them to buy. The result is that in granaries of the Northwest and in vacant lots along the railroads are piled quantities of grain for which there is no demand. The effect of this stagnation is not confined to the farmers of the Northwest. It reaches into the South. If this grain is not to be sent to Europe, there is no demand for the cotton sacks in which to ship it. The result is the cotton farmer suffers along with his colleagues of the North.

"The truth is, my friends, prosperity is like a chain. There may be golden links of great strength, iron and steel links, and there may be the appearance of strength through the whole length of the chain. But if some of these links are made of wood, or of straw woven and painted to appear like iron, the chain will deceive the eye only. If stress and strain are placed upon it, it must break.

"There can be no permanent prosperity anywhere in the world unless there is prosperity everywhere in the world. We have gone past that period in the world's history when each nation and each state and each locality is independent of every other nation and every other state and every other locality. There must be found a way to open the streams of commerce and to reestablish the marts of trade; this feature I shall speak of again.

"As I view it, two things are essential to the welfare of agriculture. The first of these is education of the public as to the needs of the farmer and the national importance of his welfare. When once our people appreciate the significance of agricultural prosperity there will be greater interest in the welfare of the American farmer.

"To make the farmer prosper in order that the national welfare may be preserved, there must be found a means of absorbing our national surplus.

"The agricultural problem will not be solved by asking the public to consume more bread. This is one step, but the solution of this problem necessitates changes in the tariff, in transportation and taxation, and in the restoration of foreign markets.

"The Republican tariff framers forgot the farmer when they wrote the iniquitious law known as the Fordney-McCumber bill. Not only did they give him no consideration but, on the contrary, they increased the tax on and the cost of everything he must buy. From wire fence to nails, from implements to chemical fertilizer, the Republicans overlooked few chances to strike stupidly at the farmer.

"How can the farmer thrive when he must derive income from crops at depreciated prices and at the same time pay interest on eight billions of farm mortgages and four billions of personal and collateral loans at banks?

"How can the farmer thrive when he depends on the European market for the absorption of half of his cotton and a third of his meat and wheat? If there is no market there, where are the crops to go?

"Without markets for crops, even at prices below the cost of production, what will happen to the American farmer? More of what has already happened. In the one State of Pennsylvania there are 9,000 vacant farms, representing over 300,000 acres. In that single State 10 per cent of the total agricultural acreage has been abandoned already by discouraged farmers. In this country 1 out of 16 farms was deserted last year, to say nothing of the enormous numbers abandoned the year before.

"Suppose you had to work long hours without reward for your labors. Suppose your means of gaining a livelihood were wrested from you. Suppose your ancestral acres or the farm you had slaved to possess suddenly became unproductive. Suppose your wife and children were denied all the luxuries and many of the actual necessities because of these conditions. Suppose in such circumstances statesmanship failed to give relief.

"What would you do? What would you say?

"These are the conditions of the American farmer, and I ask in all candor is it any wonder the extreme radicals are muttering the word 'revolution'? My friends, if I could not earn a living for my family; if I had no hope of the future; if I found government indifferent, I say to you frankly I should be ready to use the same word 'revolution.' And so would you.

"But, of course, in free America, where we have orderly ways of correcting defects in government, the only revolution will be the dismissal of the Republican administration and the substitution of a government that will lend a sympathetic ear to these just complaints and make an honest and energetic effort to remedy the evils from which they spring. Statesmen who disregard the dire necessity of the farmer are unworthy the name. The Republican Party is certain to be retired because its leaders are stargazing when they should be observing the human needs of the American people.

"By reforms in tariff, in freight rates, in freight facilities, in markets and marketing, the Democratic Party will give the assistance which must be rendered to prevent agriculture from collapse. There must be reduction in the costs of government and the imposition of the burdens of taxation where they belong. To do these things is our obligation and should be our pledge.

"There can be no prosperity or contentment on the farm until these things are accomplished. We hope this prosperity may be afforded by removing the artificial barriers which now exist, but, even to the extent of passing advanced legislation, the relief must be afforded. Even though there may be apparent prosperity in other directions, until the American farmer prospers we live in a fool's paradise.

"The Republican Party has failed—the Democratic Party must pledge itself to see that the farmer is given a real hearing and the aid he must have to avert disaster.

LABOR.

"The Republican Party is strangely blind to the rights and privileges of labor. By injunction, by legal effort, and by the speeches of the dominant leaders, it is made evident that this administration is enlisted against the cause of labor, especially as regards the right to strike, the inestimable privilege of collective bargaining, and other things which organization has done to lift labor out of serfdom into a position of decent self-respect. The Republican Party, with its notoriously unfriendly attitude toward labor, has never before gone over so openly and cruelly to the side of capital.

"The Democratic Party does not ask or expect any administration to be for labor as against capital. It is the duty of government to walk with equal stride between capital and labor. But there has been conspicuous failure to move when capital has been at fault and terrific legal onslaughts have marked every alleged transgression of labor.

"In their anxiety to meet the political and industrial demands of society I have the feeling that legislators are prone to overlook the human element. In considering the Constitution we begin with Article 1 and carry our research through the 19 amendments, forgetting that the Constitution contains more than these subdivisions, important as each one is to the citizen. I am sorry to say we are apt to overlook the very foundation of the Constitution. We forget the reasons for its adoption. You realize now that I have in mind the preamble to that great instrument of human liberty.

"It will do no harm if I repeat to you that fundamental utterance of our founders:

"'We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.'

"This preamble gives us the reasons for our existence as a Nation. The vital purposes of the Constitution are to establish justice, to promote the general welfare and to secure the blessings of liberty. As I take it the first thought of our founders was that in this new country there should be social justice, a chance for every man to enjoy the fruits of his labor, and to make certain that he has health and physical prosperity, safety in the home, the right of education for his children, and all the blessings which naturally follow from liberty. To this end there was established a Union of the people to underwrite and guarantee these common privileges.

"It is an unfortunate thing, and yet I believe it to be a fact, that the first citizen of this Nation to feel the effects of financial depression is the workingman. It is likewise true that in the rebound from depression, when prosperity returns to the Nation, the last man to benefit is the workingman.

"If I am right in these statements, the conditions named indicate a defect in the machinery of government. In a perfect machine every cogwheel is so adjusted to all of the machine that its action is mathematically accurate. It never lags behind its fellows. It never runs ahead of the rest of the machine. Its rotation harmonizes perfectly to the rotation of the rest of the wheels in the outfit. It is inconceivable that a perfect machine should operate like a group of children playing 'crack the whip.' In this sport the poor chap who is the 'snapper' of the whip is violently detached from his fellows and falls head over heels.

"There should be such accurate social adjustment in this country that every group would share its responsibilities and its privileges in perfect harmony with every other group. When business is increased by reason of prosperity, the group represented by labor should benefit in exactly the same proportion as all the other parts of the social machine.

"As I view it, there has been too much of the 'crack the whip' game in political and social life. The powerful men at the head of the line have set the pace for the rest of society. Then, by proper effort at the chosen time, they swing the line reaching out behind them and break off the 'snapper' at the end.

"The 'snapper' may be the minority stockholder. The 'snapper' may be the innocent party who has bought a few shares of the watered and weakened stock. But whether the innocent investor is affected, the laborer is certain to be the victim at the end of the line. He gets the rough tumble, while the powerful group at the top of the line laughs at his discomfiture.

"What is the remedy for the present situation? As I see it, it is to do more of what organized labor has already done.

"What organized labor has accomplished is misunderstood by many sincere and devoted members of society. If you were to ask the average man in the street what organized labor has done, he would reply that it has held up capital and by threat of strike has forced capital to reduce hours of labor and to increase wages.

"While increased wage and limitation of hours of labor are numbered among the benefits of organization, yet, as I see it, these are not the only things or the most important things which have been accomplished.

"I am a great believer in popular education. My long experience as a health officer taught me the importance of educating the public to the reasons why hygienic living and the observance of sanitary rules are essential to the happiness and longevity of the human race. Whenever the public is informed on a subject affecting its welfare it responds cheerfully, and if a plan or suggestion appeals to the public as a common-sense proposition it is indorsed and adopted by the public and becomes a matter of common observance.

"The outstanding achievement of labor organization, as I see it, is that the public has been educated to the deprivation suffered by labor in former times and to the importance of a decent wage and healthful hours of labor in order that good health, good morals, and good citizenship may prevail.

"My memory goes back to the time when it was said 'that a dollar a day is darn poor pay,' but that is all the laboring man received. He started life as a laborer. He ended his short life as a laborer. His children were laborers. There was no opportunity for the family of

the common workingman in those days to acquire an education or to make any progress beyond their humble origin.

"Education of the public aroused the sentiment in favor of proper restrictions on the great employers. As a result they are not permitted any longer to crystallize the sweat of the workingmen into diamonds and their blood into rubies. No matter how unwilling he may be, the modern employer must observe the regulations and laws imposed upon him by society in order that the workingman may be guarded against conditions which sap his vitality, dwarf his intellect, and leave him no better than a serf.

"One of the encouraging things I observe, a thing which is the direct outcome of the educational system forced upon the American people by the labor organizations, is that the employers themselves have profited by this education. To-day it may be said in truth, I think, that in most industries the employers are vying with each other in establishing welfare activities, old-age pensions, and other progressive reforms, the natural outgrowth of this system of popular education.

"I wish I might say that the millenium has dawned and that labor is now receiving at the hands of capital and of government all the privileges to which it is entitled. Of course, no informed person could make such a statement. Labor will not receive everything it should have until the machinery of society operates in the manner I have suggested. Not until every cog in the machine coordinates its movements with all the rest will this be the ideal state.

"My suggestion, then, as I have said, is that labor should do more of what it has so well done in the past. It should continue its work of education.

"I could give specific examples of the defects in our present system. One of the outstanding instances of the failure of present methods is the result on certain railroads of the shop-crafts strike of 1922. Had there been some agency of government which could have forced a very small group of railroads to a settlement of the differences which existed between the administrators of these railroads and the unions involved, great suffering would have been prevented. I do not refer alone to the suffering which came upon the workingmen. I am going to be generous enough to speak of the unnecessary suffering of the owners of the securities of that small group of railroads. It is my contention that the executives of that small group caused unnecessary losses to the stockholders by maladministration of their offices.

"But I am going beyond the shop crafts and the stockholders to the great public. The public suffered unnecessarily by deprivations forced upon it by the uncalled-for breakdown in the equipment of these railroads. I look upon railroads as agencies of human welfare. I do not regard railroads as great machines intended only to make money for the stockholders. I regard them as the great civilizers of modern times. It is their function to carry food and fuel and the other necessities of life to our people wherever they live. The executives of the railroads of this country have no right to set up their individual opinions and to enforce their individual convictions at the expense of the lives and comfort of the citizens of these United States. There must be found a way to make certain that under each and every circumstance there shall be no delay in traffic and that these great avenues of human welfare may be kept open.

"I speak feelingly because I know from intimate knowledge how unnecessary it was for this situation to continue through the months as it did. I am here to say it is my judgment that the blame for this situation can be placed absolutely at the doors of certain of the railroad executives, and that the employees are innocent of any part in the continuance of human suffering incident to that particular strike for months beyond the time when the strike could have been terminated by honorable and fair agreement, as it was terminated on most of the principal railroads.

"The union organizations should continue their work of education in order that the American public may come to realize how necessary it is that these things having to do with human welfare may be guaranteed.

"We have great need of housing in the cities of the Union. In my own city there are 100,000 more families than there are houses. There must be education of the public to the needs of those who live in humble homes. I look forward to the time when every family in America will live in its own home and that every baby may be born in a decent place.

"Government has failed to safeguard the wage earner. High prices for food, for clothing, for the common necessities of life prevail. There must be a campaign of education in order that our citizens may realize that there can be no perfect Union, to quote the preamble of the Constitution, until the general welfare has been promoted to the point that every family has, not a living wage—a phrase I resent—but a wage sufficient to insure for the wives and the children of the workingman of America not only bare existence, but also more of the comforts of life.

"My plea is that the unions will continue their work of education. That they will go forward until the last citizen in America knows the needs of those who work with their hands. I think for myself that those who labor are just as much entitled to long life as John D. Rockefeller is. There can not be long life without happiness in the home, and there can not be happiness until every home is made a decent place by reason of decent incomes, decent hours of labor, and decent conditions in every place where labor is employed.

THE VETERANS.

"With the armistice something happened to our souls. We appeared to lose our spiritual exaltation and the spirit of sacrifice. We seemed to forget what the soldiers did for us when we could not do for ourselves. But surely the heart of America has not changed. We really believe the veterans deserve much better treatment than they have had. All our instincts are to do for them as they did for us.

"Mass psychology is not unlike individual psychology. It is remarkable how great groups of people respond to the same rules which govern individuals. Just as you can feel the pulse of a sick man, so can you study the pulse of the multitudes.

"Just now the public is suffering from hysteria. It is so excited over the idea of tax reduction that it has alternating fits of laughter and of weeping. It is so on edge that the slightest suggestion of restraint throws it into a violent spasm.

"But what about the bonus? Personally, I am a convert to the idea. But I am not a recent convert, nor was my conversion an instantaneous one. Its beginnings date back to the end of the war, when I made my first visit to the battle fields. My growing conviction that a bonus is fair and just became more firmly fixed during the period of the return of our soldiers. I saw them dismayed by the loss of their jobs and by their difficulties in becoming socially readjusted. My suspicion grew into fixed conviction in 1922 when in visiting the western, eastern, and northern Italian fronts, I saw the preparations for renewed conflict on the part of certain European countries and the dismal failure of the war to effect any permanent accomplishment for the cause of world peace.

"Had the war ended the armaments, the conscriptions, and the burdens of taxation for the machinery of conflict, there might have been glory enough to compensate our soldiers for all it cost them. This the war failed to accomplish. The lack of vision of those who stood and still stand in the way of happy termination of the evil controversy has ruined the aspirations and ambitions of the vast hordes of young men who cheerfully answered the call to arms.

"The sacrifice having failed to accomplish its purpose, there is no subjective reward except the satisfaction of having done what seemed to be a duty. In marked contrast to the exaltation which would have followed success, there are the unhappiness, the feeling of hopelessness, and the downright misery of knowing that the world has not been made safe for democracy, that world peace has not been established, and that the sacrifices and efforts were vainly made. Instead of the joy of achievement there is an overwhelming sense of failure.

"I can not think of the war without thinking of the mothers. Through heartaches and sleepless nights they suffered as the soldiers themselves never suffered. When any reflection is cast on the veteran the wounds of her heart are torn open. I have no doubt many a mother is saddened and embittered by needlessly harsh things uttered during the present controversy over the bonus.

"During the war there was great inflation in every line. Wages reached previously unheard of heights. Never before, certainly within the memory of this generation, had there been such opportunities to command high wages.

"The needs of Government and of society made it imperative that the essential industries be kept under full steam. Help had to be obtained at any price. There were times when the men in khaki worked 12 hours a day, and even 20 in time of need, at $30 per month, in competition with civilian employees on the same job who worked only 8 hours a day for $200 or $300 per month.

"Can you wonder that murmurings of discontent are heard on every side? The thing I can not understand is why there has been such delay in attempting some adjustment of compensation between the meager stipend of the men in uniform and the high wages received by their brothers in civilian life.

"The great majority of ex-soldiers think we owe this money. They believe the Government should pay it.

"Personally, I don't want any man who has the slightest excuse for claiming I owe him money—I do not want any such man to go about thinking I am depriving him of his just deserts. Certainly rich Uncle Sam wants to pay the soldiers if there is the slightest evidence that a debt exists.

"I would offer these patriotic men a decent adjustment of compensation. I would do this, not as a charity or as a reward but as an act of simple justice.

"I would do it because the soldier honestly thinks the country owes it to him.

"I would do it because we have no right to cause unhappiness to the wives and mothers of the soldiers.

"I would do it because my own sense of justice says we owe a debt which should have been paid long ago.

"The excuse of lack of funds may have justified the last veto. That excuse does not exist now. There is no present justification for delay. Congress should and must act at once.

"Were it not so serious a matter, it would be laughable to see what arguments are grasped by the heels and dragged into this debate. One would think that the idea of a bonus is new. As a matter of fact, from the early history of our country after every war our soldiers have been given some sort of a bonus or bounty. If there were anything disgraceful about it, it would reflect upon the memory of great men, outstanding figures, and numbered among the heroes of our history.

"Do you know that Gen. Phil Sheridan received 160 acres of land as an additional compensation for his service in the Indian war of 1853?

"Do you know that Gen. William T. Sherman, for service in the Seminole Indian and Mexican wars, received 160 acres of land in addition to his salary as an officer in the Army?

"Do you know that Gen. Winfield Scott, for his services in the Mexican War, was given a similar bonus?

"Do you know that Admiral David G. Farragut, for service as midshipman in the War of 1812 and commander in the Mexican War, received 160 acres of land in addition to his salary as an officer of the Navy?

"Do you know that Gen. Robert E. Lee, who served as a captain in the Mexican War, received a grant of 160 acres of land under the act of 1850?

"Do you know that Gen. U. S. Grant received a bounty of 160 acres of land for his service as a second lieutenant in the Mexican War?

"Finally, may I ask, do you know that Abraham Lincoln, who served 40 days as a captain in the Black Hawk Indian war in 1832, received for his services, as late as 1850, 40 acres of land? Hanging on the wall in room 306 of the Pension Office Building in Washington is the original application signed by Mr. Lincoln on August 21, 1855, making application for 120 acres of additional land provided by subsequent act of Congress for soldiers in that war.

"You have heard the most exaggerated and disturbing figures about the cost of a bonus. I want you to know what it would cost to adjust the compensation of the veterans and to pay it in cash, which is the kind of a bonus I consider to be reasonable and just.

"In the army of the World War there were 4,679,853 men. Of these 2,435,000 served overseas. The remaining 2,244,853 were denied the privilege of leaving these shores.

"The average number of days served by each man in the service was 260½. The average for the men who had overseas service was 333¼ days.

"The bonus bills which have been proposed provide a dollar a day for home service, or a total in round numbers of $585,000,000. They provide for overseas men a dollar and a quarter a day, or a total of a trifle over $1,000,000,000. Deducting the $60 each man did receive on his discharge, the total cost of a cash bonus on this plan would be $1,318,575,600.

"Personally I am not quite satisfied with this plan, because it marks a difference between the men who went to Europe and the men who were detained here. In the last analysis the sacrifice was the same for each group. If I had my way I should add 25 cents a day to the home-service group, giving these men a dollar and a quarter a day, the same as the overseas veterans. This would place all the ex-service men on the same plane of equality, just as they have chosen to be in the Legion.

"This extra payment to the home-service men would increase the bonus by $146,201,663. This would make the whole amount due the veterans on the cash payment plan $1,464,777,263.

"This is considerably less than a billion and a half of dollars. It is a modest sum in comparison with a total cost of twenty-five billions for the war. It is less than any one of the major European countries owes us. Yet this sum, a billion and a half, would adjust the compensation of every veteran, and it can be provided for out of the more productive income prophesied by Mr. Mellon as a result of the reduced surtaxes.

"Suppose this money were borrowed on 60-year bonds, issuing the billion and a half at once, or, if the bonus is paid in five equal annual installments, in issues of three hundred millions annually for five years, the total cost at the high rate of 5 per cent would be less than seventy-five millions per year.

"Twenty-five millions paid annually to retire the bonds would make a total expense to the country the first year for interest and principal of $100,000,000, and this would decrease annually till the debt was wiped out at the end of 60 years.

"This is a simple problem in arithmetic and one need not be a great banker to understand it. Even a doctor can understand it. The increased revenues which are promised if the surtaxes of the rich are reduced will pay the entire cost of the bonus.

"Let us cultivate patience and forbearance. The pulse of the public is running too fast just now for clear thinking about tax reduction and the bonus. Let us keep calm and cool. Pretty soon the patient will be better and able to study these matters.

"I have confidence in Congress. In my opinion the able men of that body will find a solution. If this group does not find the way, another will be called to solve the problem.

"It is probable the superrich will not get all they want. But millions of taxpayers will get more relief from the Democratic plan than they would from the Mellon plan, and personally I am more inetrested in the millions than in the millionaires.

FOREIGN RELATIONS.

"Such a program as I have outlined to-day would make for marked increase in prosperity at home, but are we satisfied to think or to talk about our own prosperity without regard for the rest of the globe?

"It is human to stand aloof from great world questions. Their very magnitude frightens us. We hesitate to approach them in the way we attack the little problems of our own households. We scurry away when the troubles of the great round world are mentioned. Is not this attitude of mind merely an unusual expression of stage fright?

"Let us study the world disease exactly as we would a simple little incident in our daily walk. What are some of the conclusions we would reach.

"Hunger, broken rest, the stress and strain of mental and physical want—these make for restlessness, irritability, quarrelsomeness and war.

"Every school-teacher, every parent knows that the way to keep children from quarreling and the way to make them happy is to keep them busy. Men are like children and nations are like groups of children.

"To restore peace, to obliterate the scars of the great war, to wipe out hatred, to calm the fears and agitation of the world's mind, there must be found a way to put the world back to work.

"The present trouble of Europe is not war or the fear of war—it is the discontent born of idleness. What the world needs is work. It needs to be busy. Nothing makes for contentment of mind like pleasing occupation with a fair share of profits, and the certainty of unfailing income.

"Hunger, disease, undernourishment of children, social unrest, interrupted education, mental stunting, and broken lives are found throughout the earth. They must be replaced by health, vigor, and happiness, which are the natural outcome of peace, industrial activity, and freedom to work and to earn.

"The business, the industry, the commerce of the world must be reestablished. What statesmen should do, it seems to me, is to find the least common denominator upon which they can agree and then proceed to settle the world's economic troubles by the accepted formula.

"This is to my mind a page from the book we should study just now. It may be the elementary arithmetic of politics, but at least it presents something which can be understood by everybody.

"Our farmers want markets for their surplus grains. Our manufacturers wish to dispose of their products. Our merchants hunt markets for their goods. Our ships await cargoes. Our railroads seek freight.

"More than this, our citizens pray for a permanency in prosperity and want nothing to interfere with the steady flow of the streams of trade and commerce throughout the world.

"There is nothing remarkable in this diagnosis of American desires. Neither is our feeling different from the impulses and desires of the citizens of every other country on earth. Undoubtedly our view is shared by men everywhere.

"Even if the sentiment of the dominating group is against entrance into some sort of an association of nations, is America to shirk the leadership the world looks to us to assume?

"Even though we should assume the correctness of the statement often repeated that America is unwilling to enter into a permanent political alliance with nations across the ocean, are we on this account to be purely negative in our national attitude? Will somebody tell me why in the name of high Heaven some present effort is not being made to deal with the world's difficulties, not from a political standpoint, not with the idea of permanent alliance, but solely and wholly to restore economic prosperity to the world? Why not seek to revive national and world business, to rehabilitate the commerce of the world and to wipe out international hatred, by replacing it with that contentment and peace of mind associated with economic or business activity?

"No matter what may have been possible immediately after the armistice—no matter what may be possible next year or in the next decade—the fact remains that the immediate need of the world, of our world, is for all the world to get back to work.

"My immediate appeal is for an attempt at economic agreement regardless of political difference and intrigues. The most bitter opponent of the League of Nations can not object to the consideration

of a plan for the economic rehabilitation of the world. The most ardent supporter of the league, after these years of deferred hope and endless disappointment, can not object to a brief departure from the original program. It will be a period during which heated feelings may cool and engendered hatreds may be buried.

"In certain lines in America we have prosperity, but the idleness of the rest of the world should warn us that our prosperity is likely to be transient. We must not disregard the warnings of the economic signs. All the signs indicate approaching financial, commercial, and industrial depression. I should consider him a very poor guardian of the public health if the official waited until the disease entered the city before preparing to combat it. It is the duty of statesmen, too, to anticipate events and to escape national disaster by early and effective action.

"In my opinion the surest guaranty against this imminent peril is the calling of an immediate economic conference. Such a conference should not be limited to the major nations. It should include them all—old and new, eastern, western, and central.

"From every viewpoint, it seems to me, the world must welcome a proposal for a business and economic conference. The diplomats of the world have tried to settle these problems. They have failed. The administration has failed to use our Government's tremendous moral, political, and economic influence to bring about a settlement of the world's economic troubles. Our country must take the initiative.

"Let it be understood that such an arrangement as I propose, when it is made, is for a limited time and for a single purpose—the rehabilitation of the world's industry and commerce. No other consideration should be permitted to mar the purpose of this movement.

"In Washington's Farewell Address, in the paragraph immediately preceding the one where he so touchingly speaks of his advice as the 'counsels of an old and affectionate friend,' he uses language I wish to quote. It is as follows:

"'Harmony, liberal intercourse with all nations are recommended by policy, humanity, and interest. But even our commercial policy should hold an equal and impartial hand, neither seeking nor granting exclusive favors or preferences; consulting the natural course of things; diffusing and diversifying by gentle means the streams of commerce, not forcing; establishing with powers so disposed ' order to give trade a stable course, to define the rights of our merchants, and to enable the Government to support them, conventional rules of intercourse, the best that present circumstances and mutual opinion will permit, but temporary and liable to be from time to time abandoned or varied as experience and circumstances shall dictate; constantly keeping in view that it is folly for one nation to look for disinterested favors from another.'

"These are exactly the things I have in mind as necessary for immediate adoption—temporary arrangements, building up, or to use Washington's quaint phrase, 'establishing,' with powers so disposed, such economic intercourse as will set flowing again the streams of commerce. It seems to me such action would insure 'harmony, liberal intercourse with nations' and certainly such action is 'recommended by policy, humanity, and interest.'

"I wish we might turn aside from our accustomed and predominating political beliefs just long enough to take stock of present economic conditions.

"If a great fire is raging and a city block is threatened with destruction, we do not hold a convention to determine what form of fire apparatus should be purchased and what method of administrative control should be used in the fire department. We employ every facility we have to put out the fire. When the immediate conflagration is ended we will sit down to discuss the larger and permanent policy of the city with regard to the department.

"It seems to me this country can not afford to shirk the responsibility of making every possible attempt to have determined an economic policy for the world. Surely there is a way to accomplish this. It is very probable that 'by gentle means,' to quote Washington, we may open the streams of commerce.

"Is it not worth while to try? What finer thing can be accomplished by the Democratic Party? We have the moral force, born of conviction as to our duty, to take up arms against our sea of troubles and by united economic effort relieve the misery of the world.

CONSERVATION OF NATURAL RESOURCES.

"From the time of Solomon men have been admonished to provide against the rainy day. It has been drilled into us to make provision for adversity and necessity. We can not look with approval upon a landowner who is forever cutting his trees and never renewing, who exhausts his substance and soil without thought of the future.

"Where is there an American within the boundary of the Union who has not blushed for shame during the past few days over the revelations made in the Teapot Dome scandal. The charge has been made on the floor of the Senate that high officials of this Government have been guilty of treason Benedict Arnold has been reviled for scores of years for his perfidy. What can be said of a man in this generation who would take over the priceless possessions of the Nation and give them over to private interests for monetary exploitation?

"Since the beginning of our program of conservation of national resources every President has zealously guarded these natural deposits in order that posterity might benefit by some of nature's gifts to the American people.

"As a result of the Disarmament Conference several of our great ships were ordered to be scrapped, and most of our effective fleet at the present time depend upon oil for their locomotion. It is a little short of treason that officials of this Government should turn over to the oil interests these natural resources which have been set aside in order that our children and our children's children might be safely guarded by our great fleet and by the airships which the last war developed.

"Be it said to the everlasting shame of the Republican Party that it seems to have forgotten that the welfare of our people is vastly more important than the financial gain of the small coterie of persons, willing if need be to take the coppers from a dead man's eyes, or what is infinitely worse, to rob the Nation of its means of defense.

"I predict that before the next Presidential campaign is ended that every man, woman, and child in the United States will know about the Teapot Dome scandal, and the perfidy of the sworn officials of this great Government.

CONCLUSION.

"Reviewing the history of the failure of the Republican Party to serve the farmer, to serve the workman, to serve the masses of our people, it would seem as if that political party had no thought of the common welfare, but had in mind always only the welfare of the great money interests entrenched in Wall Street. The Democratic Party is determined that within the next year there shall be elected a President of the United States and a Congress pledged to the betterment of the conditions of the sovereign people. The Democratic Party is determined that by a process of education every voter shall know what is going on in America, and shall be given an opportunity to register his protest against the malfeasance of the present administration.

"As I study the Democratic Party I am glad to find that there are hundreds of men in official life in America who possess the spirit of Andrew Jackson. They will not truckle to the money power. They will not fall victims to the flattery of those who would seduce them from their duties. They will go forward determined to make this country not alone the best country in the world—it is that now—but to make it the greatest country that can be conceived by the mind of man."

MARKETING OF COTTON.

Mr. SMITH. Mr. President, there has been brought to my attention a matter to which I desire to call the attention of the Senate, and I intend to introduce a resolution making inquiry as to the facts.

We have been busily engaged, in the Agricultural Committee room, on several bills, two of them very prominent, looking toward the relief of the farmers of certain sections of the country particularly, and to the agricultural conditions of the country in general. These bills have as their main purpose the development of foreign markets, as well as the relieving of conditions at home.

The hearings on these bills and the facts developed before the Senate and the Congress seem to show that there has been a lack of coordination in our commercial bodies, and the level of prices in most commodities has not been affected as have the prices of farm products. So it was rather startling for me to receive the following communication, which explains itself, and the facts as to which I propose to obtain through a resolution. I want to read from a circular letter furnished by a corporation, Senner & Bean, New Orleans, New York, and Liverpool. It contains a rather startling allegation. Before I read this, I should say that as compared with the demand and the consumption, the supply of the commodity referred to here is less than it ever has been before in the history of this country, so that there is likely to be, and it is commonly accepted that we are approaching, a famine in this article. Yet, in spite of that condition and the world-wide use of this article, I find this sent out in a circular letter, and attached to it a telegram from a citizen of Arizona.

I quote the paragraph:

Information that the International Federation of Spinners, with headquarters at Manchester, England, is seeking to induce the spinners of this country to join an organized movement for the restriction of the consumption of cotton, and the statement that high Government officials at Washington approve of the movement, was a surprise and the sensation of the week.

Mr. President, the work we are attempting to do is to open the markets and to relieve the situation as to agriculture. If these allegations be true we had better devote our time to finding out whether or not the business men of this country and the organized commercial agencies of this country are organizing

with the representatives of the world market to control the situation as it now obtains.

I shall to-morrow introduce a resolution asking this administration, the President of the United States, to ascertain whether or not any of his Cabinet officers or any of those under his control, or his appointees, have anything to do with the movement referred to in the allegation herein contained. If this be true, this movement is in spirit, if not in fact, a conspiracy in restraint of trade, and it is taking advantage of a condition which naturally, without coming to Congress, would relieve the situation of the cotton producers of the South.

Nature has so favored us that there is a world-wide demand for cotton and a totally inadequate supply, and we had hoped, after the terrible years of deflation through which we went, that as nature had cut down the supply and the world demand exceeded it, we might at least be the beneficiaries of the operation of the natural law.

If this allegation be true, we find that there is at least a suspicion that the spinners and the converters of the raw material—and the raw material is almost an American monopoly—are entering into an agreement with our foreign markets to withdraw the converted spinner and allow the reflex to fall upon the producer.

The PRESIDENT pro tempore. The calendar is now in order.

AGRICULTURAL SITUATION IN THE NORTHWEST.

Mr SHIPSTEAD obtained the floor.

Mr. CURTIS. Mr. President, I do not want to interfere with the Senator's speech, but in order that we may have something before the Senate, I ask that the first bill on the calendar be announced, and that the Senator be permitted to make his speech on that bill.

Mr. NORRIS. I understand the Senator is going to speak in pursuance of a notice he gave that he would make an address.

Mr. CURTIS. I beg the Senator's pardon; I did not understand that.

Mr. SHIPSTEAD. Mr. President, we are informed by newspapers that the President has called another conference of citizens engaged in the various vocations of life for the purpose of conferring on the agricultural situation in the Northwest.

We are also informed by the newspapers that the financial condition in the Northwest is partly due to the prices being paid for agricultural products, and also partly due to certain actions and conduct of the Secretary of the Treasury in carrying on the financial operations of the Government. Therefore I desire to call the attention of the Senate and of the people of the country to the conduct of the Secretary of the Treasury in financing the operations of the Government.

I shall speak especially of its effect on business in general, particularly in the Northwest, and the added tax burden which it lays upon the back of the American people.

An examination of the law enacted by Congress granting powers to the Secretary of the Treasury to issue Federal securities reveals the astounding fact that the Secretary of the Treasury has been granted the authority to issue Government securities to the amount of $21,500,000,000 and to fix the interest thereon at such rates as he, the Secretary of the Treasury, may prescribe.

From an examination of the Government securities issued during the year 1923 and of the securities now being issued it becomes at once apparent that the Federal Government is paying a higher rate of interest on borrowed money than is being paid by banks, commercial interests, and States like New York, Massachusetts, and municipalities like the city of St. Paul.

Such an examination reveals another astounding fact—that the Government is outbidding banks for bank deposits by agents working through the Federal reserve banks.

Financial newspapers carry the information that banks in the large financial cities have "gone on a strike" against commercial paper and are investing their funds in Government securities on account of the high rate of interest paid by the Government and because these securities are tax exempt when held by banks and other corporations.

On October 31, 1923, according to statement issued by the Treasury Department, the interest-bearing public debt of the United States amounted to $21,790,684,118.91.

The interest paid on the public debt for the fiscal year ended June 30, 1923, amounted to 28½ per cent of all expenditures by the Government for the year 1923. The interest paid during that year amounted to over $1,055,000,000. (Report of Secretary of the Treasury, 1923, pp. 17, 510.) This amount was about a quarter of a billion more than the total Government expenditures during the fiscal year 1916, the last pre-war year (p. 17 of said report). In view of the fact that the interest paid on the public debt in the year 1923 exceeded by more than a quarter of a billion dollars the total Government expenditures for 1916, it is not surprising that taxes and cost of living are high. The rate of interest paid on the public debt constitutes a very large item in the rate of taxes. In order to reduce taxes we must reduce expenditures, and at this time, while Congress is trying to devise ways and means for reducing the tax rate, I deem it proper to make a few remarks upon the very important subject of interest on the public debt and its relation to taxes and business.

On October 31, 1923, the interest-bearing public debt consisted of—

Bonds	$16,443,131,930.00
Treasury notes	4,050,432,000.00
Tax certificates of indebtedness	941,013,500.00
Treasury (war) savings certificates	356,106,688.91
Total	21,790,684,118.91

According to the report of the Secretary of the Treasury for the fiscal year ended June 30, 1923, there were issued between December 7, 1922, and September 15, 1923, the following interest-bearing securities:

December 7, 1922:	
Tax certificates, 3 months, 3½ per cent	$113,744,500
Tax certificates, 1 year, 4 per cent	197,233,500
Treasury notes, 2½ years, 4½ per cent	469,213,200
January 9, 1923:	
Treasury notes, 4 years 11 months, 4½ per cent	366,981,500
March 15, 1923:	
Tax certificates, 6 months, 4¼ per cent	154,252,000
Tax certificates, 1 year, 4½ per cent	321,196,000
May 7, 1923:	
Treasury notes, 3 years 10 months, 4¾ per cent	668,201,400
June 11, 1923:	
Treasury certificates of indebtedness, 6 months, 4 per cent	189,833,500
September 15, 1923:	
Treasury certificates of indebtedness, 6 months, 4¼ per cent	249,750,500
Treasury savings certificates issued in 1923 up to November 15, 5 years, 4¼ per cent	180,000,000
Total	2,910,406,100

From the above statement it will be seen that in the year 1923 the Government did not issue any securities at less than 4 per cent interest and paid as high as 4¾ per cent.

Comparing the rate of interest on the bonds that were sold in the year 1923 with the rate on bonds that were issued before the World War and are still outstanding, we find a very surprising difference in the rates.

Bonds amounting to $118,489,900 are outstanding, issued February 1, 1895, due in 30 years, interest 4 per cent, were sold at a premium ranging from $4 to $11 per $100.

The bonds known as "consols of 1920," issued April 1, 1900, due in 30 years, $599,724,050 outstanding, bearing interest at the rate of 2 per cent, were sold at a premium of about 50 cents on the $100.

Panama Canal bonds, of which there are outstanding about $75,000,000, issued August 1, 1906, and November 1, 1908, bear interest at 2 per cent, and were sold at a premium ranging from $2.43 to $3.51 per $100.

Panama Canal loan bonds, issued June 11, 1911, due in 50 years, of which there are about $49,800,000 outstanding, bear 3 per cent interest, and were sold at a premium of $2.58 per $100.

Conversion bonds, issued January 1, 1916–17, of which there are outstanding $28,894,500, due in 30 years, bear 3 per cent interest, and were exchanged at par.

These were all long-term bonds, and this feature appears to have made them attractive to the investors, and they paid a premium on 2 per cent bonds. In June, 1923, the Government paid 4 per cent interest on certificates due in six months, but in May the same year the Government paid 4¾ per cent interest on notes due in 3 years and 10 months.

It has been claimed that the reason that these pre-war bonds sold at a premium was that they were eligible for security for national-bank circulation, and that there was such a large demand for these bonds by the national banks that that is the reason that 2 and 3 per cent bonds sold at a premium. But, according to the report of the Comptroller of the Currency, dated December 3, 1923 (see p. 83), the total Government interest-bearing obligations that were outstanding on June 30, 1923, and were issued prior to 1917, that were eligible as security for national-bank circulation, amounted to $793,115,530, and of these $744,654,990 are on deposit with the Treasurer of the United States as security for national-bank circulation, $4,993,000 to secure Federal reserve bank notes, and $1,316,500 to secure deposits of public moneys. Hence there is outstand-

ing the sum of $42,150,000 of these pre-war bonds that are eligible as securities for national-bank circulation. So it appears that a large amount of these bonds were purchased by private investors.

The Panama Canal 3 per cent bonds were not eligible for national-bank circulation, but were sold at a premium. The 3 per cent conversion bonds and the 2½ per cent postal savings bonds were not eligible as security for national-bank circulation and were sold at par at the time they were issued.

The Treasury Department is now offering Treasury savings certificates to yield a little more than 4½ per cent, interest compounded semiannually, due in five years.

In my opinion the Government during the preceding year paid and is now paying too high a rate of interest on the gilt-edged Government securities issued by the Government, and I believe that this opinion is sustained by the facts found in the report of the Secretary of the Treasury for the fiscal year ending June 30, 1923, and other sources of information.

At this time when the country is waiting for Congress to do everything possible to reduce taxes, this question of the interest rates on all debts, public and private, is of vital importance.

I want to say in passing that I have received hundreds of letters from people who say they do not want war taxes in time of peace. I direct their attention and the attention of the Senate to the fact that we can not get rid of war taxes until the war debt is paid.

A high rate of interest paid on Government securities sets the pace in maintaining a high interest rate on borrowings of all kinds. In view of the fact that it is estimated that about 90 per cent of all commercial transactions are based on credit, the problem of the amount of interest paid on borrowings is of vital importance to all business life. The speculator making speculative profits can pay a high rate. A monopoly making monopoly profits can also pay a high rate of interest, because it can pass the burden on to the consumer. But the man engaged in competitive business and making a competitive profit only can not as easily pass the burden on to the consumer; and so he, like the farmer and small banker, finds himself in serious difficulties.

The high rate of interest being paid by the Secretary of the Treasury on nearly $5,000,000,000 of floating or unfunded debt will serve to continue the existing high rate.

There appears to be a concerted effort on the part of the Treasury Department and the Federal reserve banks to maintain a high rate of interest. I make this statement after carefully reading the report of the Secretary of the Treasury for the fiscal year ended June 30, 1923.

On page 43 of said report it states:

> In February and March of this year the three Federal reserve banks which had been maintaining their discount rates on a 4 per cent basis raised them to 4½ per cent, thus making the discount rate for all Federal reserve banks uniform.

I see nothing in this report to indicate that the Secretary of the Treasury disapproves of the action of the Federal reserve banks in raising the discount rates.

The announcement of the sale of Treasury savings certificates—page 55 of said report—states that after December 1, 1923, the Government will pay a considerably higher rate of interest on the new certificates than the Government has been paying heretofore.

Can there be any doubt but that the rate of interest that is paid on the public debt of the United States determines to a large extent the interest that has to be paid on all debts, private or public?

An increase in the interest rate on the debt of the United States raises the rate on all borrowings. Increasing the interest increases the debt; increasing the debt increases the taxes. In order that the burdens of taxation should be made more easy to bear, interest should not be raised, but should be lowered by the Treasury Department.

As to the importance to the people of the United States having a low rate of interest on all public indebtedness, I will call attention to the fact that during the next five years the Government has to take care of maturing indebtedness of $4,000,000,000 Treasury notes and $3,400,000,000 third Liberty bonds, a total of $7,400,000,000.

The sinking fund will provide only an estimated $1,620,000,000, leaving a balance of $5,780,000,000 which has to be raised by issuing new securities or additional taxes. If one-half of 1 per cent interest per annum can be saved, it will mean a saving of about $27,000,000 a year, or $135,000,000 in five years, on these securities that will become due during the next five years. When we consider that the total indebtedness of the United States is nearly $22,000,000,000, a saving of one-half of 1 per cent interest per annum on this debt will mean $110,000,000 a year, or $2,200,000,000 in 20 years, which would go a long way toward paying the bonus to service men without adding 1 cent to the taxpayers' burdens.

Mr. KING. Mr. President, will the Senator from Minnesota yield?

Mr. SHIPSTEAD. Certainly.

Mr. KING. Complaints have been brought to my attention that the Treasury Department, in order to meet maturing short-time obligations, has been invading the loan field and increasing interest charges to the dislocation of existing interest rates and largely to the demoralization of business. Evidently the Senator has given a great deal of attention to the consideration of the question. I would like to ask whether or not in his judgment, from his investigation, there is ground for the criticism to which I have just adverted.

Mr. SHIPSTEAD. Mr. President, I think the Senator from Utah is correctly informed, and I intend to cover that part of the subject a little bit later.

The Department of Commerce in a bulletin released for January 14, 1924, asserts that State and municipal bonds amount to $10,260,942,000. The saving on these bonds to the taxpayers, if the interest were reduced one-half of 1 per cent per annum, or, rather, if it were not increased to that extent, would amount to $51,000,000 a year, or $1,026,000,000 in 20 years. The total amount of farm mortgages can safely be estimated at $10,000,000,000, so that a saving of one-half of 1 per cent interest per annum will mean a saving to farm owners of $50,000,000 a year, or $1,000,000,000 in 20 years.

I believe on January 19 last the Wall Street Journal gave the information that commercial bank borrowings in the United States aggregate about $25,000,000,000. I have stated that in my opinion one-half of 1 per cent interest could be saved. I think that is a very conservative estimate. I have had letters from many bankers who state that in their opinion the Federal Government should not pay over 3 or 3½ per cent interest on its indebtedness. In the Journal of Commerce and Finance, I believe, for January 23 Mr. Theodore H. Price makes the claim that the people of the United States are paying at least 1 per cent too much interest on all indebtedness in the United States. If that claim be correct, it becomes very evident that adding the indebtedness of $21,000,000,000 represented by United States Government securities, $11,000,000,000 of State and municipal bonds outstanding, about $10,000,000,000 of farm mortgages, $10,000,000,000 of city and village real-estate mortgages, not including corporate mortgages, $40,000,000,000 of corporate bonds and mortgages, and $25,000,000,000 of commercial bank borrowings, there is outstanding a total indebtedness of $117,000,000,000.

Mr. President, the figures which I have cited have been obtained from various sources. The figures relative to capital invested in the manufacturing industries I secured from the Census Abstract for 1919; from the Department of Commerce I obtained the estimate of the amount of State and municipal bonds outstanding; and from the Wall Street Journal I obtained the statement of the amount of farm mortgages outstanding.

As I have stated, the figures show a total indebtedness of $117,000,000,000, but for the sake of brevity and clarity we will assume the total indebtedness to be $100,000,000,000.

Mr. KING. Mr. President, will the Senator from Minnesota yield to me?

Mr. SHIPSTEAD. Yes, I yield with pleasure.

Mr. KING. I made some computations last week respecting the indebtedness of the people of the United States—national indebtedness, State indebtedness, together with the indebtedness of all political subdivisions of the State, corporate indebtedness, private indebtedness—and the figures which I reached were $129,000,000,000. Therefore, I am sure the figures of the Senator from Minnesota estimating that indebtedness to be $117,000,000,000 are well within the limit.

Mr. SHIPSTEAD. I thank the Senator from Utah for that information; and I also wish to state to the Senate that I always try to be conservative.

Mr. KING. Even though the Senator is classed as a radical.

Mr. SHIPSTEAD. But let us assume a total indebtedness of $100,000,000,000, an unnecessary interest rate of 1 per cent would mean an annual additional burden of $1,000,000,000 on the people of the United States, due to the excessive rates of interest being charged on borrowings of all kinds, the pace for which is being set by the Secretary of the Treasury and the Federal reserve banks.

The debt covered by Treasury notes and certificates and Treasury savings certificates, amounting to over $5,000,000,000,

should be funded into long-term bonds at a lower rate of interest. When Treasury notes and Treasury certificates of indebtedness are offered for sale they should be offered at a rate commensurate with their value as compared with other securities of less value.

During the last month I have received a large number of letters from the smaller bankers of Minnesota protesting against the rate that the Government is paying on Treasury savings certificates to be issued in pursuance of offering of the Treasury Department dated November 15, 1923. I send to the desk a letter I have received from the First National Bank of St. Cloud, Minn., and ask that it may be read. This letter is one of very many which I have received.

The PRESIDING OFFICER (Mr. JOHNSON of Minnesota in the chair). In the absence of objection, the letter will be read.

The principal legislative clerk read as follows:

FIRST NATIONAL BANK,
St. Cloud, Minn., January 12, 1924.

HON. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.

DEAR SIR: The following resolution was passed at a meeting of the stockholders of the First National Bank, of St. Cloud, Minn., on January 8, 1924, at which meeting more than 80 per cent of the outstanding stock was represented:

"The Treasury Department of the United States Government, by issuing Government securities at their present rate of interest, is being unfair in its competition for money in this territory.

"Present conditions prohibit banks from paying more than 4 per cent to depositors. It is the intention and purpose of this bank to serve this community. This can not be done properly if this bank must compete with an interest return of more than 4 per cent, with additional tax-exempt features, such as is offered by the United States Government.

"It is essential to the growth of any community and country at any time but particularly during these times that the people who are obliged to borrow money be given as low an interest rate as is possible and consistent with sound banking practice.

"We earnestly believe from reports of heavy oversubscriptions of recent Treasury offerings that the interest rate on future issues and United States savings certificates can be materially reduced and still afford ample funds for such financing. This would not only be an additional saving in interest to the Government but would also eliminate the existing unfair competition for funds.

"The Government of the United States should consider the injustice it is working upon the banks and people of this country and discontinue the issuance of Government securities at the present interest return."

The above resolution, while it states the opinion of a good many people, is, in fact, the feeling of a large majority in this territory. We believe that any influence detrimental to a majority of people is detrimental to the whole country, and while we are honestly endeavoring to better the conditions in this vicinity we do not see how we can do so to the extent we might be able to do providing we had the cooperation of the Treasury Department.

If you will give this your most careful consideration, we are confident you will assist us in every possible way for a change in the present method of issuing United States Government securities.

Yours truly,

L. E. FOUQUETTE, *President.*

Mr. STERLING. Mr. President, may I say a word in this connection?

Mr. SHIPSTEAD. I am glad to yield to the Senator from South Dakota.

Mr. STERLING. Mr. President, apropos of the communication just read to the Senate, I should like to say—and I think it is but just to say—that the Treasury Department has ordered the sale of Treasury certificates and postal savings certificates stopped, as I understand, in the entire ninth Federal reserve bank district.

Mr. SHIPSTEAD. Will the Senator inform me when that order was issued?

Mr. STERLING. The order was issued, I think, about three days ago, and I have taken the pains to have the order communicated by wire to certain portions of South Dakota.

Mr. SHIPSTEAD. I am very glad to learn that that is being done. I was not informed of this order. I had it from what I considered a reliable source that it would not be done. I can not see why the order was ever issued to sell Government securities at that rate. A great deal of damage has been done. Of course the rate paid on savings certificates is a very small matter in comparison with the high rate of interest that is paid on other securities outstanding. The amount of savings certificates outstanding is, I believe, less than $400,000,000, while there are over $4,000,000,000 of Treasury notes and Treasury certificates of indebtedness issued during the last three years bearing interest at the rates of from 4 to 5¾ per cent, and they being in such large amounts are really of more vital importance than are savings certificates.

I have another letter from the First State Bank of Beltrami, Minn., which I ask unanimous consent to have printed in the RECORD without reading.

The PRESIDING OFFICER. Without objection, permission is granted.

The letter referred to is as follows:

FIRST STATE BANK OF BELTRAMI, MINN.,
January 26, 1924.

HON. HENRIK SHIPSTEAD,
United States Senate, Washington, D. C.

DEAR SIR: We notice that the various branches of the Federal Treasury Department will make a special effort to help finance the Northwest during these troublesome times. However, to some of us it seems as if it would be like raising oneself by pulling on his boot straps or worse; on the one hand this effort is being put forth and on the other hand the public are being offered, urged, and encouraged by every possible means and by practically every postmaster to buy Government securities and take advantage of the Government savings system to net them anything from 4½ per cent to 5 per cent.

I well remember the hearing that was held in St. Paul last winter on the 8 per cent bill, and the proponents of that bill stated that no bank had any business paying more than 4 per cent for deposits, and in extreme cases certainly not more than 5 per cent. Of course no good bank can operate safely and pay more than 5 per cent on deposits when the money must be loaned and some risk taken under present conditions at an 8 per cent rate. But when the Government is urging the public to buy its securities and take advantage of its bank privileges and offer them a rate greater than that which banks can safely pay, it is not the fault of the public if they withdraw their deposits from the banks and put them into the Government securities. It would seem that the Government ought not pay a rate of interest greater than that which banks can pay. In fact, they ought not to pay more than 3 per cent or 3½ per cent. The State of Minnesota is to-day geting all of the money that they need for the rural credit bureau at a rate slightly more than 4 per cent, and the Government certainly ought to be able to obtain money at a less rate than they are now offering. Therefore we urge that you put forth an effort to have the Postal Savings System withdrawn for the present, that some money may be left in the country banks, so that the country banks can carry the farmer through these troublesome times. I am going to say that we are experiencing no difficulty here, but neighboring towns have had much difficulty, and I personally know of two or three banks that have been very conservatively managed that have been forced to close because depositors have asked for practically all of their money, and, of course, the farmer borrower could not pay the bank on short notice. In fact, they could not pay even on reasonable notice, because if all of their stock, machinery, and other equipment was offered for sale for cash there would be so much offered that there would be no buyers, but they would all be sellers.

However, if the Government does not continue to encourage depositors to withdraw their funds from the country banks and put it into Government securities and have the money from the country transferred to the large financial centers, the country banks will be able to function and carry the farmer until a better and brighter day, which surely is coming, for the agricultural districts of the Northwest.

Yours truly,

T. O. HAFDAHL, *Cashier.*

Mr. SHIPSTEAD. The banks in the west central and northern part of the State of Minnesota have been paying 5 per cent interest per annum on time certificates of deposit. For years the banks have been trying to reduce this rate of interest to 4 per cent in order that they might reduce the interest rates to farmers and other borrowers in this agricultural section of the State. But the bankers claim that when the Government offers about 4½ per cent interest, compounded semiannually, or 5 per cent simple interest for five years, they can not get deposits at 5 per cent per annum, to say nothing about being able to reduce their interest rate. In the southern part of the State the prevailing rate on time deposits seems to be 4 per cent per annum, but on account of the high interest rates on Treasury certificates their deposits are rapidly decreasing, and they will be compelled to get their money from the Federal reserve bank at higher rates than they have been paying to local parties; hence they have to raise the interest rates they formerly charged their customers.

This means that the farmers, already overburdened with debt which can not be liquidated, because of low prices, must make renewals of loans at an increased rate of interest. This means increasing his burden of debt. The merchant must also pay a higher rate, thus increasing the cost of doing business, and in turn the cost of living.

They also make the point that it is entirely unnecessary for the Government to pay such a high rate of interest, and this point seems to me to be well taken in view of the fact that the offerings of Treasury certificates and Treasury notes by the Treasury Department at lower rates of interest during the year immediately preceding November 15, 1923, were all oversubscribed within a few days after they were announced.

The offering announced December 7, 1922, of Treasury certificates due in three months at 3½ per cent, Treasury certificates due in one year at 4 per cent, and Treasury notes due in two and one-half years at 4½ per cent were all oversubscribed within eight days of the date of the announcement.

For the offering of $300,000,000 Treasury notes at 4½ per cent, maturing in a little less than five years, announced January 9, 1923, subscriptions for nearly double the amount were received within six days from the date of the announcement.

For the offering, May 7, 1923, of $400,000,000 Treasury notes at 4¾ per cent, maturing March 15, 1927, subscriptions for more than double the amount were received within five days from the date of the offering. It is stated in Secretary Mellon's report for 1923 that this offering "met with a quick response." This quick response is not surprising when investors could receive 4¾ per cent interest on securities backed by the Government of the United States and tax exempt to banking corporations.

For the offering of Treasury certificates amounting to $150,000,000, June 11, 1923, bearing interest at 4 per cent, due in six months, subscriptions for more than double the amount were received within two days.

For the offer of Treasury certificates of indebtedness September 10, 1923, $200,000,000, due in six months at 4¼ per cent, subscriptions for more than double the amount were received within two days of the date of the offer.

In the offering of December 11, 1923, of $300,000,000 Treasury certificates, part of which were due in six months at 4 per cent interest and the other due in one year at 4½ per cent interest, subscriptions closed December 15, 1923, in only four days, and aggregated $765,000,000, considerably more than double the amount offered. The Wall Street Journal of December 11, 1923, in discussing this offering, says:

> It is generally agreed that this rate is satisfactory—

And in giving an account of the oversubscriptions received, the same paper on December 18, 1923, asserts that—

> Evidence of the abundance of money is seen in the total subscription of $765,000,000 to the new Treasury certificates of indebtedness.

From November 15, 1922, to December 15, 1923, over $3,000,000,000 in Treasury certificates and notes have been issued by the Government.

On page 51 of his report the Secretary of the Treasury makes the following statement in reference to offerings between November 15, 1922, and November 15, 1923:

> All of these offerings were well received by the investing public, and in each case oversubscriptions were reported.

The total offerings amounted to $2,450,000,000.

The total subscriptions received on these offerings amounted to $4,863,930,400.

The offering of December, 1923, was made subsequent to this report, but the oversubscription shows that the offering was also "well received by the investing public."

From the fact that during the very few days that elapsed between the date of the offering and the day set for closing subscriptions the investing public made such a desperate rush to get these securities, does it not appear that the rate of interest offered was larger than it was necessary for the Government to pay in order to dispose of these securities?

In view of the great demand for Government securities at the rate of interest offered, and in view of the fact that prime bankers' acceptances have been holding steady at 4¼ per cent bid and 4⅛ per cent asked since last April, and that call money has been at 4 per cent and lower during the last year, all indicating an abundance of money, is it unfair to say that the Government has, during the last 14 months, paid more than one-half per cent interest too much?

In corroboration of the statement I have just made, I send to the desk a statement taken from the Washington Post of January 12, 1924, and ask to have it read.

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

The reading clerk read as follows:

PLETHORA OF MONEY FLOODS WALL STREET—BANKERS UNABLE TO FIND BORROWERS FOR MORE THAN $20,000,000.

NEW YORK, January 11.—Wall Street to-day had more money than it could use. So great was the accumulation of surplus money that the rate on call loans in the stock market fell below 4 per cent for the first time since last September, and bankers were obliged to take back more than $20,000,000 for which they could find no borrowers at the close.

The rate on prime bankers' acceptances, which has been holding steady at 4¼ bid and 4⅛ asked since last April, broke to 4⅛ and 4. In addition, millions of dollars were diverted to the purchase of short-term Treasury notes and United States Government bonds, sales of the latter on the New York Stock Exchange totaling $5,500,000, an increase of more than 50 per cent over the day before.

Piling up of funds following the turn of the year accounts for the plethora of funds. While the call-money rate ordinarily fluctuated according to the law of supply and demand, brokers reported to-day that the big bankers were disinclined to lower the rate below 3¾ on the ground that a further reduction would result in the withdrawal of funds from New York.

Predictions of a reduction in the Federal reserve rediscount rate as a result of the unusual money situation were heard in the financial district to-day, but the local Federal reserve bank officials declined to comment.

Mr. SHIPSTEAD. I also send to the desk an article from the Wall Street Journal of January 25, 1924. There is one paragraph marked in ink which I ask unanimous consent to have read, and then I ask to have the entire article printed in the RECORD.

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

The reading clerk read as follows:

> Large amount of short-term United States Government paper outstanding with tax-exempt features and yields ranging from 3.55 per cent to 4.29 per cent precludes a ready market for acceptances and commercial paper at present rates. Federal reserve rediscount rate serves as a peg, insuring paper from going lower.

The entire article is as follows:

TIME MONEY GOES LOWER—SURPLUS FUNDS AND THE LIGHT DEMAND FORCE RATE TO LEVELS OF JANUARY LAST.

Money market is easy and steady. Even call money has been steady at 4 per cent for four days.

Time money against stock exchange collateral has dropped from a 4¾ per cent bid and offered basis to 4½ per cent bid and 4¾ per cent offered. So far, it would seem, no loans have been made at the lower rate, but accommodation is freely had at 4¾ per cent for all dates. This is the lowest for time money since January last, when the current rate prevailed from the 5th to the 29th. Other rates are unchanged from the past few weeks.

Bank-acceptance dealers have again reduced rates on 60 and 90 day bills from 4¼ to 4⅛ per cent to 4⅛ to 4 per cent, making the same rate for 30 to 90 day eligible member bank bills. It is hoped that the lower rate will bring out more bills and make financing through acceptances more acceptable. Many bankers expect a revision upward within a few days.

Short-term money is plentiful. Present low rates, taken together with the large supply of money, are for the most part seasonal. Bankers feel rates can not go lower.

Recent experience of acceptance dealers in lowering rates for a few days, January 12 to 15, inclusive, proved conclusively that banks are unwilling to invest in short-term loans at lower rates. Commercial-paper houses have the same experience. Larger city banks refuse to touch paper at present rates, and it is hard to move in the interior at 4¾ per cent for the best names. Where specially choice names have been tried out at 4½ per cent reaction of dealers has been that they might better have held the paper for the quotable market of 4¾ and 5 per cent.

INFLUENCE IN GOVERMENT PAPER.

Large amount of short-term United States Government paper outstanding, with tax-exempt features, and yields ranging from 3.55 per cent to 4.29 per cent, precludes a ready market for acceptances and commercial paper at present rates. Federal reserve rediscount rate serves as a peg, insuring paper from going lower.

Prices for certificates of indebtedness and Treasury notes have been firming up recently. It is conceivable these may reach a point that will bring down the yield to where banks will show a preference for loans, in which event paper, acceptances, and time money against stock-exchange collateral would feel the effect and firm up. Meanwhile, before such a point could be reached, it is only reasonable to expect that business money will be in seasonally greater demand and that loans against stock-exchange collateral, especially time loans, will expand.

An important factor supporting short-term money rates in favor of lenders is the attractive yield on short-maturing corporate issues, including such relatively short-term and readily disposable issues as the railroad equipment trust obligations which total approximately $700,000,000.

LOANS OUTSTANDING.

Fundamental banking situation is little changed from what it was on February 21, when the rediscount rate was increased. Savings fund of the Nation has increased, but loans and discounts are still high.

Following table shows loans, discounts, and investments of reporting member banks in leading cities as of January 9, 1924, compared with February 21, 1923, and the reserve system's total bills on hand; that is, discounts and bills bought in open market for January 17, 1924, and February 28, 1923:

Reporting member banks.

	Jan. 9, 1924.	Feb. 21, 1923.
Loans on Government paper	$288,587,000	$277,120,000
Loans on stocks and bonds	3,920,763,000	3,737,251,000
All other loans	7,781,600,000	7,517,372,000
Total loans	11,930,950,000	11,531,743,000
Investments	4,506,981,000	4,732,625,000
Total loans and investments	16,437,931,000	16,264,368,000

Total bills on hand (Federal reserve system), January 17, 1924, $827,929,000; February 28, 1923, $803,438,000.

From the above it will be seen that commercial loans are $264,200,000 greater than in February and total loans are $400,000,000 higher. Shrinkage in investments total $225,644,000. On the whole, all factors point to steadiness and possible firmness in credit rates, but without any sign of stringency.

TIME MONEY.

Time money against stock exchange collateral is easier at 4½ per cent bid and 4¾ per cent offered. No loans seem to have been made at the bid rate, but money is freely offered at 4¾ per cent.

CALL MONEY.

Call money opened at 4 per cent; high, 4 per cent; low, 4 per cent; renewals, 4 per cent; and close, 4 per cent.

COMMERCIAL PAPER.

Commercial paper market is fairly active, with rates steady and unchanged at 4¾ per cent for prime names and 5 per cent for other good names. Bulk of the business is at 4¾ per cent, and with interior banks.

BANK ACCEPTANCES.

Bank acceptances are lower. Majority of dealers decided to reduce rates on 60 and 90 day acceptances from 4¼ @ 4⅛ to 4⅛ @ 4 per cent. A few dealers held out for the higher rates but finally fell into line. Supply of bills has been pretty well reduced; and the lower rates, it is hoped, will result in greater volume of financing through acceptances. Some bankers are inclined to think there will be revision upward before long.

Rates are as follows:

Spot deliveries.	Eligible member banks.	Eligible nonmember banks.
30 days	4⅛@4	4½@4⅛
60 days	4⅛@4	4¼@4⅛
90 days	4⅛@4	4¼@4⅛
120 days	4¼@4⅛	4⅜@4¼
150 days	4¼@4¼	4⅜@4¼
180 days	4¼@4¼	4⅜@4¼

Future delivery, 4⅛ per cent bid.

Call bills against loans, 3¾ per cent.

Mr. SHIPSTEAD. This excess interest on new securities issued during the last 14 months amounts to $15,000,000 per annum. This sum, however, is only a drop in the bucket compared to its probable effect on other borrowings.

I stated that many bankers have written to me, and many financial writers have written to me, giving it as their opinion that the people of the United States are paying at least 1 per cent too much on borrowings of all kinds, and that that means an excessive interest rate on the total debt of $129,000,000,000 according to the figures of the Senator from Utah. I was more conservative. He may have more reliable sources of information than I have; but, in order to be conservative, I said $100,000,000,000. That makes a total burden of excess interest of $1,000,000,000 a year on the people of the United States. I believe it is true—it is held, as a rule, by economists—that 1 cent additional in the original cost of the product is multiplied five times when it comes to the ultimate consumer. If that rule holds true—and I believe it is recognized by all economists as being safe to follow—then the $1,000,000,000 additional interest rate that goes into the original cost of production has increased to $5,000,000,000 by the time the product reaches the ultimate consumer.

Referring to the rate of interest on the present offering of savings certificates by the Treasury, I make this statement on the assumption that the Senator from South Dakota is correct and that it has been discontinued within the last few days. I was not aware of that; but, in order to show what interest the Government has been paying on these certificates and how the rate of interest was increased in December of 1923, I direct your attention to the fact that under the old rate an investor received $18 in interest on an investment of $82 in five years. Under the rate that has been paid by the Treasury since December the investor will receive interest to the amount of $20 on an investment of $80 in five years. There is a difference of $4. You pay $2 less in the investment and you receive $2 more in interest. It amounts to simple interest of 5 per cent in five years. This increase was made last December, after all of the offerings of the Treasury at a lower rate had been heavily oversubscribed within a few days of the date of offering all through the summer. While it may be charged that the money markets of the world are world-wide, and that the Government of the United States bids in the world markets with other governments for money, it might be interesting also to state that the British Government has been selling its short-term taxable treasury bills all through the summer to yield about 3 per cent interest. It might become pertinent to ask in that connection what has become of the credit of the United States of America. Why was this increase in interest made, in view of the ready sale of Treasury certificates and Treasury notes at a lower rate during the last 12 months?

This rate is higher than the rate paid on State and municipal bonds. The Wall Street Journal for January 8, 1924, reports a sale at par of St. Paul (Minn.) school bonds to the amount of $600,000 at 4¼ per cent.

The circulars advertising municipal bonds do not hold out any inducements to the investors that these bonds are tax exempt from all United States, State, and municipal taxes. In the intensive advertising campaign for selling the new issue of Treasury savings certificates that is now being conducted by the Treasury Department through newspapers, magazines, posters in 40,000 post offices, and circulars distributed by Federal reserve banks, the virtues of the tax-exempt features of the new Treasury savings certificates are highly extolled.

As an investor would realize 4.55 per cent per annum on the new issue of Treasury savings certificates, which are tax exempt up to holdings of $5,000 in Government securities, it is plain that the rate paid by the Government on these Treasury savings certificates is entirely too high when compared with the rates realized on municipal bonds sold at private sale in competition with the Treasury Department.

Let us compare rates of interest on securities sold during 1923 and now offered by Treasury Department with rates you can realize by investing in the municipal bonds of New York and Massachusetts—two of the best States in the Union. A. B. Leach & Co., dealers in securities, with offices in New York, Boston, and Philadelphia, advertise in the Wall Street Journal for January 9, 1924:

City of Boston 4 per cent and 4¼ per cent registered bonds, due 1926 to 1969, to yield 4.15 per cent to 4 per cent to the investor.

New York State bonds, due 1958 to 1967, to yield investor 3.85 per cent.

New York State bonds, due 1961, to yield investor 3.88 per cent.

New York State bonds, due in 1965, to yield investor 3.90 per cent.

New York State bonds, due 1963, to yield investor 3.93 per cent.

New York State bonds, registered, due in 1964, to yield investor 3.95 per cent.

City of Albany registered bonds, due 1963, to yield investor 4 per cent.

Albany County, N. Y., registered, due in 1935, to yield investor 4.10 per cent.

City of Boston bonds, due in 1950, to yield investor 4 per cent.

According to the market quotations published in financial journals on December 26, 1923, the highest rate of interest that an investor could get by purchasing United States Liberty bonds, first 3½s, due in 1947, is 3.53 per cent.

United States Liberty bonds, first 4s, due in 1947, 4.11 per cent.

A great effort is being made to create the impression that State and municipal bonds are absolutely tax exempt. Is this true? They are exempt from Federal taxes. But are they exempt from State taxes? That depends entirely upon the laws of the State where the investor resides. If a resident of one State purchased any State or municipal bonds of another State he would have to pay whatever taxes the laws of the State of

his residence impose upon securities of other States owned by its residents.

In the case of Bonaparte *v.* Tax Court, 104 United States Supreme Court Reports, 592, the facts in the case were:

The State of Maryland included in the tax list of a resident of Baltimore certain securities of the registered public debt of the State and city of New York and other States, some of which were exempt from taxation in the State where issued and some actually taxed there. It was argued that the same property could not have at the same time more than one situs for taxation, and that the situs of this was in the State owing the debt. But the court said that it was immaterial whether the debt was taxed in the debtor State or not, and that there was no immunity from taxation in Maryland under Article IV, section 1 of the United States Constitution, providing that full faith should be given in each State to the public acts of every other State. No State can legislate with reference to taxation in other jurisdictions or exempt from taxation property beyond its confines. The debt still remained a chose in action with all the incidents which appertain to that species of property. The court said:

It is true, if a State could protect its securities from taxation everywhere, it might succeed in borrowing money at reduced interest, but, inasmuch as it can not secure such exemption outside of its own jurisdiction, it is compelled to go into the market as a borrower, subject to the same disabilities in this particular as individuals. While the Constitution of the United States might have been so framed as to afford relief against such a disability, it has not been, and the States are left free to extend the comity which is sought, or not, as they please.

Taxation of the debt within the debtor State does not change the legal situs of the debt for any other purpose than that of the tax which is imposed. Neither does exemption from taxation. (Decision handed down by Chief Justice Waite.)

Much has been said lately about the heavy surtaxes that have to be paid on Government securities. These Treasury savings certificates are offered for sale in tax-exempt quantities only: No person is allowed to purchase more than $5,000 worth of these certificates, and as long as he holds no more than $5,000 worth of Federal Government securities, issued under the law of September 24, 1917 (the law under which all of the foregoing-named Government securities sold in 1923 have been issued), he does not have to pay any State or Federal taxes. Moreover, by the liberality of the regulations, each member of his family may purchase $5,000 of certificates and an average family could hold $25,000 of these gilt-edge, 4.55 per cent, and probably tax-exempt securities.

But I will cite further instances where Government securities are absolutely tax exempt. By section 7 of the Federal reserve act it is provided—

Federal reserve banks, including stock and surplus therein and the income derived therefrom, shall be exempt from Federal, State, and local taxation, except taxes on real estate.

In construing this section the United States Internal Revenue Bureau (art. 76, Reg. 62) has ruled as follows:

ART. 76. Dividends from Federal reserve bank: As section 7 of the Federal reserve act of December 23, 1913, provides that Federal reserve banks, including the capital stock and surplus therein and the income derived therefrom, shall be exempt from taxation, except taxes upon real estate, such exemption attached to and follows the income derived from dividends on stock of Federal reserve banks in the hands of the stockholders, so that the dividends received on the stock of Federal reserve banks are not subject to the income tax. Dividends paid by member banks, however, are treated like dividends of ordinary corporations.

The large amount of Government securities held by Federal reserve banks are absolutely tax exempt, and Federal reserve banks get the benefit of the high interest rate paid on Government securities.

All Government securities owned by corporations, banking or otherwise, are absolutely tax exempt.

Section 236, paragraph (a) of the income tax law for 1921 provides:

The amount received as interest upon obligations of the United States and bonds issued by the War Finance Corporation, which is included in the gross income under section 233, shall be allowed as a credit for the purpose of the tax imposed by section 230 of the said income tax law.

In construing the above section (art. 591, p. 190, Treas. Dept. Int. Rev. Reg. 62) the Treasury Department has held that:

Credits allowed: After ascertaining the net income of a domestic corporation, it is allowed as credits against such net income before the application of the income-tax rate the sum of $2,000 (only if its net income is $25,000 or less), plus the amount of any war profits and excess profits tax assessed or to be assessed for the same taxable year (in case of fiscal years ending in 1921 and 1922, see sec. 205 and arts. 1623–1624), and plus the amount of interest not entirely exempt from tax received upon obligations of the United States and bonds of the War Finance Corporation. (See sec. 213 (b) of the Statute and articles 77–83.) Consequently, in the case of corporations no income tax is imposed on any interest received upon obligations of the United States or bonds of the War Finance Corporation.

From the fact that the different issues that were sold by the Government during the preceding year were oversubscribed within a few days after they were announced, in some instances in two days, it is plain that they were not sold to the public in general, but were bought by large banks and corporations who thus escape paying taxes on the same or the income therefrom.

The member banks in the New York Federal reserve district held $1,215,795,000 Government securities December 31, 1923, says the Annalist, January 7, 1924.

The PRESIDENT pro tempore (at 2 o'clock). The Senator will suspend a moment. The Chair lays before the Senate the unfinished business, being Senate Resolution 134. The Senator from Minnesota will proceed.

Mr. SHIPSTEAD. The Mellon National Bank, of Pittsburgh, holds $43,484,894.43 of United States securities, as stated by the Financial Chronicle, January 12, 1924.

Chase National Bank, of New York, according to its statement for December 31, 1923, published in Wall Street Journal, held on said day Government securities to the amount of $77,372,129.17.

National City Bank of Commerce, New York, held December 31, 1923, Government securities to the amount of $86,998,038.42.

Here we find a large mass of Government securities bearing a higher rate of interest than other gilt-edged securities held by banks and corporations which under the provisions of section 236 of the income tax law for 1921 are exempted from paying taxes on the income therefrom, no matter what quantity thereof they hold.

The income tax law of 1921, enacted under the Republican administration, gives a special dispensation to corporations engaged in banking and other activities by exempting them from paying taxes on their income from Government securities. Why was this special favor granted to corporations?

Why should the Secretary of the Treasury urge constitutional amendment to remove future tax-exempt features of municipal bonds and apply to them the term "existing mass of tax-exempt securities," which he states on page 6 of his report amounts to eleven billions, when the Government of the United States has outstanding over twenty-one billions of securities which the law makes tax exempt when held by corporations? Moreover, the Government has permitted many other tax-exempt funds to be created, among which can be mentioned—

(a) Stock in Federal reserve banks owned by members amounting to more than $110,000,000; and

(b) Reserves of Federal reserve banks aggregating over $3,000,000,000.

United States bonds and other securities issued by the Federal Government are always considered preferable to any other investment, and the rates of interest on municipal bonds will have to be raised in the near future in order to compete with United States securities.

I stated that banks in the west central and northern parts of Minnesota were paying 5 per cent annual interest on time certificates of deposit. This is a high rate, but still the Government offers a better rate of interest on the tax-free Treasury savings certificates. I have made the following computations, based upon the investor being a resident of the State of Minnesota and subject to normal income tax:

$4,000 invested in new issue of Treasury savings certificates will yield as interest in five years		$1,000.00
$4,000 invested in time certificates of deposit at 5 per cent, interest payable annually, certificate renewed each year with interest added to principal, will yield as interest		1,105.12
Less taxes, viz:		
3-mill money and credit tax	$61.56	
United States income tax	44.20	
		105.76
Net income		999.36
Loss by investing in time certificates of deposit, and not counting anything for trouble in going to bank each year to renew certificate		.64

The small banks of the country, particularly in agricultural communities, have been hard pressed to maintain their reserves.

I desire to call attention to an article in the Washington Herald of last Sunday morning. I have marked one paragraph, which I send to the desk and ask to have read.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The reading clerk read as follows:

DEPOSITS WITHDRAWN.

Lack of confidence in banks in the region, it was pointed out yesterday, was causing large numbers of small depositors to withdraw their deposits and reinvest them in Treasury certificates and postal savings banks. Senator NORBECK, of North Dakota, said yesterday that sales of Treasury certificates had jumped steadily in South Dakota and last week were sold at the rate of $600,000 a day.

Mr. SHIPSTEAD. Banks can not compete with the Government in paying interest. People withdraw their deposits and invest them in Government paper. Now, when the Federal Government puts on an intensive campaign to sell tax-exempt securities bearing a higher rate than banks can afford to pay, the Federal Government will drive many of these banks to the wall because farmers can not pay a higher rate of interest. Many of them can not pay the rate already being charged them.

The little country of Norway makes loans to farmers with land as security at 3 per cent. Our farmers are paying 6 to 9 per cent. Interest must be lowered if American farmers are to be kept from becoming serfs.

This high rate of interest paid by the Government works a great injustice to the people of the United States in two ways:

First. By increasing the expenditures of the Government by the amount unnecessarily paid as interest, and thereby increasing the taxes. In view of the fact that in the year 1923 the Government of the United States reduced the interest rate on the debt owed by Great Britain to 3 per cent for the first 10 years and 3½ per cent thereafter, it seems preposterous that the Government of the United States should have to immediately borrow money and pay 4½ per cent interest, compounded semiannually. A private party could not do business in that way; and in order that the Government can do so it will necessarily have to exercise its taxing powers to make up the deficiency, and the beneficiaries of this high rate of interest do not have to pay any of the taxes necessary to make up the deficiency.

Second. It raises the rate of interest that borrowers have to pay. It forces banks to pay a high rate of interest on deposits, and therefore they have to charge a higher rate of interest to their borrowers, which, especially in the financially embarrassed agricultural communities of the Northwest, is a great hardship.

The nontaxable feature of the new Treasury savings certificates is advertised as a special inducement to investors, while at the same time the issuance of tax-free securities by States and municipalities is severely condemned. It looks inconsistent to me that two intensive campaigns are being put on at the same time—one against States and municipalities issuing tax-exempt securities, and the other to persuade investors to purchase tax-exempt securities issued by the Government of the United States, and, as a special inducement to an investor to purchase the tax-exempt securities of the Federal Government, to pay him a higher rate of interest than he can receive on bank time deposits, municipal bonds, or other gilt-edge securities.

Why are these short-time certificates sold so frequently in place of selling long-term bonds? In other words, what is the motive behind this policy? On page 57 of the Secretary's report it is stated:

The Treasury's present savings program is confined to selling of Treasury savings certificates and no longer embraces elements for the general encouragement of thrift.

This report, page 56, shows that the sales organization is headed by the Director of the United States Government Savings System, located at Washington, who acts under the general supervision of the Secretary of the Treasury. In addition to the Washington headquarters, there is a small but active field organization in each of the 12 Federal reserve banks, headed by a local savings director, acting under the general supervision of the director at Washington and the governor of the Federal reserve bank.

One might think that these "local savings directors" were simply sales agents. But we find it quite otherwise by reading the Secretary's report. On page 58 of this report he says:

In April of the present year a conference of the local savings directors was called at Washington for the purpose of working out a more permanent savings program, establishing the savings system as firmly as possible on a going basis, discussing the problems arising in the field, and developing plans for closer cooperation among the directors, the Federal reserve banks, and the Washington headquarters. This conference was most helpful to all concerned, and much ground was covered along the lines indicated.

This meeting between representatives of the Federal reserve banks and the Treasury Department took place the month after the last Federal reserve bank had raised its discount rate to 4½ per cent. Surely "this conference was most helpful" in maintaining the high discount rates by Federal reserve banks.

Government bonds should sell at a much lower rate of interest than commercial paper and at a lower rate than State or municipal bonds, but in 1923 the United States Government issued and sold securities at higher rates than commercial paper and in some instances at a higher rate than that paid on bankers' acceptances during the same period.

Bankers' acceptances from April, 1923, to January 11, 1924, held steady at 4¼ bid and 4⅛ asked; still during that period the Treasury Department sold over four hundred million in tax certificates and Treasury certificates of indebtedness at 4¼ per cent, over six hundred and eighty-eight millions of Treasury notes and tax certificates at 4½ per cent, over six hundred and sixty-eight millions of Treasury notes at 4¾ per cent, and since November 15, 1923, has been actively engaged in selling Treasury saving certificates at a little higher rate than 4½ per cent, compounded semiannually.

I assert that the high rate of interest paid by the Government raises the rate on all borrowings. This statement is borne out by the following quotation from the Wall Street Journal of January 17, 1924:

Commercial paper market shows no further softness in rates; on the contrary, while the quotable rate continues at 4¾ to 5 per cent for the best names, there are certain surface indications of prime names moving up to 5 per cent, and the 4¾ per cent rate holding only for more exceptional paper of short maturity.

LOANS AND INVESTMENTS.

Many large concerns are more nearly in the position of lenders than borrowers. While there is so large a volume of Government bonds and other tax-exempt issues available, to say nothing of good-yielding corporate issues, banks show a disposition to increase their investment holdings rather than loan under 5 per cent.

And from Wall Street Journal, January 16, 1924:

It is pointed out in some quarters that banks are so loaded up with investments, especially in Government paper, that loanable funds would be scarce were there any active demand for time money.

With larger investment opportunities, especially in Government and other tax-exempt bonds and good-yielding corporate bonds of short maturity, banks are not straining to extend loans.

From the Wall Street Journal of January 16, 1924, I quote as follows:

BANK INVESTMENTS.

It is pointed out in some quarters that banks are so loaded up with investments, especially in Government paper, that loanable funds would be scarce were there any active demand for time money.

Commercial paper market also shows that local money is pretty well tied up and seeks the investment market almost as fast as loans are liquidated. While paper is quoted 4¾ to 5 per cent for the best names, the city banks hardly do more than nibble. The market is confined to the interior and chiefly to the smaller banks. Metropolitan banks have been practically out of the commercial-paper market since January a year ago. Even when the rate was at 5½ per cent, in September and the first weeks of October, the city banks saw no inducement.

Banks are averse to offering commercial borrowers' accommodation under 5 per cent. This is generally the lowest rate for banks' best customers. With larger investment opportunities, especially in Government and other tax-exempt bonds and good-yielding corporate bonds of short maturity, banks are not straining to extend loans. It is pointed out that interest rates are more apt to firm up than ease off, as overhead and other costs are so much higher than formerly that 5 per cent is an irreducible minimum.

From the same paper of January 17, 1924, I quote as follows:

Commercial paper market shows no further softness in rates; on the contrary, while the quotable rate continues at 4¾ to 5 per cent for the best names there are certain surface indications of prime names moving up to 5 per cent and the 4¾ per cent rate holding only for more exceptional paper of short maturity.

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It appears, then, that when the large banks can not get as high a rate of interest as they demand when money is plentiful they resort to purchasing what the Wall Street Journal calls "Government bonds and other tax-exempt securities" rather than loaning money below 5 per cent.

In the Washington Post for January 11, under the title "Plethora of money floods Wall Street," it is stated:

Predictions of a reduction in the Federal reserve rediscount rate as a result of the unusual money situation were heard in the financial district to-day, but the local Federal reserve bank officials declined to comment.

Does it not appear from what I have quoted from the Wall Street Journal and the Washington Post that the high rate of interest paid on Government securities, that are tax exempt as to corporations, enables the Federal reserve banks to maintain their high discount rates?

Does it not appear that the power granted by Congress to the Secretary of the Treasury to fix the interest rate paid on Government securities issued to him and the power granted to the Federal reserve banks to fix the discount rate has been used to enrich the lenders at the expense of the borrowers?

Is it not clear that this power has been used by the Secretary of the Treasury and the Federal reserve banks to "peg" the interest rate and so increase the cost of production and interest on all borrowings to such an extent that a tribute of several billion dollars a year are extracted from the pockets of the American people?

The power to tax is the power to destroy. The power to fix the interest rate is the power to tax and therefore the power to destroy.

I maintain that this power has been so used. There is plenty of evidence to sustain this claim, not only in the empty bank vaults of the Northwest States but also in the empty pockets of the despairing American farmers.

Mr. President, I send to the desk an editorial written by Mr. Theodore H. Price, editor of the Journal of Commerce and Finance. It covers some very interesting ground relative to financial developments, and the writer is of such recognized ability and is so generally recognized as an authority that I ask unanimous consent to have it printed in the RECORD, not as a part of my remarks, but following my remarks as an appendix.

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

APPENDIX.

JUGGLING THE FEDERAL RESERVE STATEMENT.

[Reprinted from Commerce and Finance, January 23, 1924.]

(By Theo. H. Price.)

Last week we published the weekly comparative statement of the 12 Federal reserve banks as of January 9 in the form in which it was given out by the New York bank for release on January 11.

But the statement furnished by the Federal Reserve Board and mailed from Washington on the evening of January 10 differs somewhat from the one concurrently given out in New York.

The differences are important, and that they may be fully understood we reprint the figures for January 9, 1924, as they appear and are defined in both statements.

Comparative statement of 12 Federal reserve banks combined, January 9, 1924.

AS ISSUED IN NEW YORK.

RESOURCES.	
Gold and gold certificates	$389,867,000
Gold settlement fund, Federal Reserve Board	582,522,000
Total gold held by banks	972,389,000
Gold with Federal reserve agent	2,106,705,000
Gold redemption fund	51,448,000
Total gold reserves	3,130,542,000
Reserves other than gold	106,965,000
Total reserves	3,237,507,000
Nonreserve cash	67,756,000
Bills discounted:	
Secured by United States Government obligations	306,373,000
Other bills discounted	300,548,000
Bills bought in open market	319,166,000
Total bills on hand	926,087,000
United States bonds and notes	81,992,000
United States certificates of indebtedness	18,366,000
Municipal warrants	51,000
Total earning assets	1,926,496,000
Bank premises	54,006,000
Five per cent redemption fund against Federal reserve bank notes	28,000
Uncollected items	606,178,000
All other resources	15,576,000
Total resources	5,007,547,000
LIABILITIES.	
Capital paid in	110,506,000
Surplus	220,915,000
Deposits:	
Government	19,343,000
Member banks—reserve account	1,941,006,000
Other deposits	23,406,000
Total deposits	1,983,755,000
Federal reserve notes in actual circulation	2,147,064,000
Federal reserve bank notes in circulation—net liability	456,000
Deferred availability items	532,205,000
All other liabilities	12,646,000
Total liabilities	5,007,547,000
Ratio of total reserves to deposit and Federal reserve note liabilities combined	78.4%
Contingent liability on bills purchased for foreign correspondents	$18,175,000

AS ISSUED IN WASHINGTON.

RESOURCES.	
Gold with Federal reserve agents	$2,106,705,000
Gold redemption fund with United States Treasury	51,448,000
Gold held exclusively against Federal reserve notes	2,158,153,000
Gold settlement fund with Federal Reserve Board	582,522,000
Gold and gold certificates held by banks	389,867,000
Total gold reserves	3,130,542,000
Reserves other than gold	106,965,000
Total reserves	3,237,507,000
Nonreserve cash	67,756,000
Bills discounted:	
Secured by United States Government obligations	306,373,000
Other bills discounted	300,548,000
Total bills discounted	606,921,000
Bills bought in open market	319,166,000
United States Government securities:	
Bonds	19,903,000
Treasury notes	62,089,000
Certificates of indebtedness	18,366,000
Total United States Government securities	100,358,000
Municipal warrants	51,000
Total earning assets	1,026,496,000
Five per cent redemption fund—Federal reserve bank notes	28,000
Uncollected items	606,178,000
Bank premises	54,006,000
All other resources	15,576,000
Total resources	5,007,547,000
LIABILITIES.	
Federal reserve notes in actual circulation	2,147,064,000
Federal reserve bank notes in circulation—net	456,000
Deposits:	
Member banks—reserve account	1,941,006,000
Government	19,343,000
Other deposits	23,406,000
Total deposits	1,983,755,000
Deferred availability items	532,205,000
Capital paid in	110,506,000
Surplus	220,915,000
All other liabilities	12,646,000
Total liabilities	5,007,547,000
Ratio of total reserves to deposit and Federal reserve note liabilities combined	78.4%
Contingent liability on bills purchased for foreign correspondents	$18,175,000

It will be noticed that in the statement furnished by the Federal Reserve Board the gold held is segregated, $2,158,153,000 is described as "held exclusively against Federal reserve notes," $582,522,000 is described as "gold settlement fund with Federal Reserve Board," and $389,867,000 is described as "gold and gold certificates held by banks." The total of $3,130,542,000 equals the sum described as "total gold reserves" in the statement given out by the New York bank, but the fact that of this total $2,158,153,000 is now "ear marked" as "held exclusively against Federal reserve notes" is in our opinion extremely important.

The differences between the two statements are thus explained in the report given out from Washington:

"Beginning with this week a number of changes have been made in the arrangement of the items in the board's statement showing conditions of Federal reserve banks. The principal changes include the substitution of a subtotal representing "Gold held exclusively against F. R. notes" for the subtotal heretofore carried representing "Total gold held by banks," the substitution of a subtotal of "Total bills discounted" for "Total bills on hand," the addition of a subtotal of "United States Government securities," and the placing of the liabilities to the public and to the banks for Federal reserve notes and deposits at the beginning of the liability statement."

The board calls these changes a "rearrangement" but they are more than that, for in setting aside $2,158,153,000 and describing it as "held exclusively against Federal reserve notes" there is created a special reserve of more than 100 per cent of the $2,147,064,000 of Federal reserve notes in circulation and there is left but $972,389,000 of gold to be considered as a reserve against $1,983,755,000 of deposits.

This is less than 50 per cent of these deposits, and if, as is now expected, the board shall shortly order another rearrangement of the statement which will show the ratio of reserves to deposits after setting aside enough gold to provide a cover of 100 per cent for the Federal reserve notes outstanding, the effect may be to deceive the public as to the true ratio of gold reserves to liabilities and to defeat the purpose of the Federal reserve act which was to provide the Nation with abundant credit facilities at a reasonable cost rather than to create a quasi-governmental agency that could be used to sustain or advance interest rates whenever they threaten to decline.

In every other direction the power of the Government is being directed or misdirected in an effort to reduce the cost of living.

Attorney General Daugherty says that the business men may not give information to each other lest they shall thereby be enabled to obtain higher prices for their goods. The Sherman law is invoked against everything that even squints at cooperation for fear that it may be a conspiracy in restraint of trade that will increase the cost of something.

The Federal Trade Commission demands detailed statements from many business men in order to prevent profiteering; but here is a chain of banks set up by the people themselves whose officials are doing everything they can do to maintain the cost of the credit, which is the very lifeblood of our commerce, industry, and agriculture.

The result is that in the richest and most fortunate country in the world those who need credit are compelled to pay from 5 to 6 per cent or more for it at a time when the London money market in impoverished England is quoted at $3\frac{5}{16}$ per cent for 90-day bills.

We submit that the Federal reserve officials are presuming upon their power; that the Federal reserve act does not warrant them in setting aside any part of the gold or other assets in their possession as held "exclusively against Federal reserve notes," and that in "rearranging" the weekly statement, as they have, they have disregarded the amendment to the Federal reserve act passed June 21, 1917, and are attempting to read into the law an authority that it does not give them and create an impression that is at variance with the facts.

The banks of the United States have about $40,000,000,000 of deposits. A reduction of 1 per cent in interest rates would save $400,000,000 to the borrowers and the banks would earn that much less.

Although the Federal reserve banks were not organized for profit, their earnings from November, 1914, to January 1, 1924, aggregate $425,000,000, which is nearly four times their capital of $110,000,000, and no one knows how much the policy followed by the Federal Reserve Board has added to the earnings of the member and nonmember banks with whom the public must deal.

The question is, Should the law of supply and demand be permitted to function in the money market when it would operate in favor of the borrowers, or is the Federal Reserve Board justified in suspending it in the interest of the lenders?

The importance of the revision of the Federal Reserve statement has been quickly perceived in the press. Thomas F. Woodlock, in his column, "By Way of Comment," in the New York Herald, says:

"If this represents a change of policy—and if it does the board should so state it in a definite and formal way—then the gold securing the note circulation is stripped of reserve functions and returns to a mere circulatory status. The effect of this is to abolish at one stroke note-issuing powers to an amount of over $3,000,000,000, or, if member-bank deposits with the system be considered, to obliterate a reserve which would support not far from $4,000,000,000 additional reserve deposits. Putting it another way, it strips $1,300,000,000 of gold of reserve powers and makes it mere currency."

Mr. Woodlock concludes:

"Has the Federal Reserve Board determined upon what may be called a 'great renunciation'? Alone among the great central banking systems of the world, the Federal reserve system has enjoyed a theoretically complete power to make gold function to its fullest extent as reserve money and to fit currency volume to the needs of trade. Is the board now about to surrender that power?"

The financial editor of the New York Herald writes:

"In the absence of further explanation by the board of its new policy, this appears to be entirely wrong, and the system should at once take steps to clear up the confusion. If the reserve agents' gold and the gold-redemption fund are to be held 'exclusively against Federal reserve notes,' then it does not seem reasonable that they should also be classified as total reserve against which credit expansion may be exercised. By the same token, note circulation should not be carried as a liability against reserves, having already been provided for 'exclusively.'"

The New York Times says:

"That could hardly accomplish any definite purpose; it was a 'gesture,' so to speak. If the board could in that way have separated absolutely the reserve against circulation from the reserve against deposits, the one would have amounted this week to $104\frac{1}{2}$ per cent and the other to $54\frac{5}{8}$. But the statement elsewhere merely named, as it was bound to do, the 'ratio of total reserves to deposit and note liabilities combined' as 80.1 per cent."

And the Financial Chronicle says:

"We do not imagine that the Reserve Board will be relieved of any of its troubles thereby. The gold will still be there and will excite the cupidity of farmer, livestock raiser, and general borrower."

During the delivery of Mr. SHIPSTEAD's speech,

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

Mr. SHIPSTEAD. I yield to the Senator.

Mr. KING. I hope the Senator will pardon me if I call for a quorum. The Senator is making such an admirable address that I should like every Senator to hear it.

Mr. SHIPSTEAD. The Senator is very kind.

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

The PRESIDING OFFICER (Mr. JOHNSON of Minnesota in the chair). The Secretary will call the roll.

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

Adams	Fernald	King	Ransdell
Ball	Ferris	Ladd	Reed, Mo.
Bayard	Fess	La Follette	Robinson
Borah	Frazier	Lenroot	Sheppard
Brandegee	George	Lodge	Shields
Brookhart	Gerry	McKellar	Shipstead
Broussard	Glass	McKinley	Shortridge
Bruce	Gooding	McLean	Simmons
Bursum	Greene	McNary	Smith
Cameron	Hale	Mayfield	Smoot
Capper	Harreld	Moses	Stanfield
Caraway	Harris	Neely	Stanley
Copeland	Harrison	Norbeck	Sterling
Couzens	Heflin	Norris	Swanson
Cummins	Howell	Oddie	Trammell
Curtis	Johnson, Calif.	Overman	Wadsworth
Dale	Johnson, Minn.	Owen	Walsh, Mass.
Dial	Jones, N. Mex.	Pepper	Walsh, Mont.
Dill	Jones, Wash.	Phipps	Wheeler
Edge	Kendrick	Pittman	Willis
Ernst	Keyes	Ralston	

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. There is a quorum present.

After the conclusion of Mr. SHIPSTEAD's speech,

Mr. STERLING. Mr. President, I wish to congratulate the Senator from Minnesota [Mr. SHIPSTEAD] on the very clear and able discussion of a subject in which we are all very much interested, especially that part of his address which relates to the sale of tax-exempt securities, Treasury certificates, and postal savings certificates to the prejudice of the banking interests of the country.

I may say in this connection, and as pertinent to the colloquy between the Senator from Minnesota and myself a little while ago, that the congressional delegation from South Dakota visited the Treasury Department, the Comptroller of the Currency, the Managing Director of the War Finance Corporation, and finally the President himself, in regard to the situation in our State. We had sympathetic listeners in presenting the case to these authorities, and I think I may be pardoned for saying that as a final result there came the order on the part of the Secretary of the Treasury that such sales should be discontinued for the time being in the ninth Federal reserve bank district. I am sure that action will greatly relieve the situation there. Now, Mr. President, I wish to call attention to

one paragraph of a short summary of the President's last message to Congress. It is just this:

Financial assistance through a Federal agency to enable wheat farmers to make the change from a single crop system to diversified farming.

That is one of the propositions advanced by the President in his message. Thinking now that I may not have the opportunity later, I desire to take this occasion to speak briefly concerning Senate bill 2250, introduced by my colleague, the junior Senator from South Dakota [Mr. NORBECK]. It is entitled "A bill to promote a permanent system of self-supporting agriculture in regions adversely affected by the stimulation of wheat production during the war, and aggravated by many years of small yields and high production costs of wheat." The bill is a substitute for a former bill which was introduced by my colleague, being Senate bill 1597, differing, I think, from the original bill only in the fact that a commission to handle the funds and make advances is dispensed with, and the power is now proposed to be lodged in the hands of the Secretary of Agriculture.

Mr. President, it is easy to speak of this bill as another attempt at class legislation; but if it is class legislation it has many precedents. The Federal farm loan act, the act to promote cooperative associations of farmers, stockmen, and dairymen, the provisions found in every agricultural appropriation bill for the eradication of hog cholera or the cattle tick or the wheat rust or other diseases or pests affecting the plant and animal life on the farm also constitute, in similar degree, class legislation. The bill most directly affects a class, of course, but that class is engaged in a great basic industry upon which the prosperity of all the rest more or less depends. It is linked up with the national welfare. I think it is conceded that our aim as a people is to be as nearly as possible economically self-sufficient; but if through adverse conditions of climate or of prices or of costs of production debts can not be paid, farm mortgages are foreclosed, agriculture languishes, and other industries are injuriously affected, then general economic loss is sure to follow and the goal of national self-sufficiency vanishes out of sight.

Time out of mind we have heard preached the doctrine of diversified farming. The rotation of crops, the raising of such stock as the farm would reasonably support, are, I think, cardinal principles observed and practiced by good farmers under ordinary conditions; but since we entered the World War conditions in the great wheat-growing regions of the United States have been far from ordinary. The wheat farmers have had to face a situation peculiarly their own. The advice to them was not to diversify. Special inducements were offered and assurances of special reward given; and so, stimulated by the prospect of high prices and with patriotic impulse as well, they—the wheat farmers—at great expense for machinery and labor, adapted themselves and their farms and devoted their energies to the raising of wheat. The Food Administration, the Department of Agriculture, we by the legislation here enacted, and all the rest of the people encouraged them, exhorted them to raise wheat, and yet more wheat. The war which inspired the demand that the farmers raise more wheat came to an end; but still the acreage for the years 1918, 1919, and 1920 was enormous. For 1913 it was 50,184,000. The average for the years 1909 to 1913, inclusive, was 47,097,000. The peak was reached in 1919, when the acreage was 75,694,000. In 1920 it was 61,143,000; in 1921, 63,696,000.

The Government, which had made the appeal for the increased production of wheat, made no appeal for curtailment. There was no one to advise or warn against the effect upon the demand for wheat of the demobilization of millions of armed men and their return to the pursuits of peace, or the effect of the agricultural rehabilitation of Europe—France, Germany, Russia—which would lessen the demand for American wheat.

Germany comes now with a crop of wheat for the year 1923 amounting to 103,604,000 bushels, with the largest crop of rye since 1913, amounting to 282,452,000 bushels, and oats amounting to 411,676,000 bushels, the largest crop since 1913. When I read these figures I think well might Maximilian Harden, the German editor, say:

Why should America help? Germany is literally crammed with food. Half of last year's harvest is still untouched, and the reason people in the towns are starving is because the farmers and the landlords are deliberately keeping back the foodstuffs. If I were Mr. Hoover, I would not send a single bushel of grain until the stocks in Germany were consumed.

I can offer out of my own experience some corroborative testimony. During the late summer, just as the harvest was finished, I was privileged to traverse Germany almost from one end to the other, from north to southwest, and on every hand were the evidences of abundant crops of small grain. The potato crop, said then to be hardly fair, amounted to 1,200,000,000 tons.

It is well to observe that Maximilian Harden's advice to Mr. Hoover is not to send a single bushel of grain until existing stocks in Germany are consumed. He does not advise against the sending of other foodstuffs. He must know that among the workers, among the professional classes, as well as among the aged and infirm, there are many thousands who are without sufficient food and are undernourished; all because the currency, the only currency they have, is worthless.

The condition of the children of the classes named is most pathetic and appealing. It is reflected in the milk supply in Berlin, for example. Before the war Berlin, it is said, used daily 1,200,000 quarts of milk. Now, there are only 150,000 quarts of milk available each day. This, Mr. President, is not an unrelated subject. When one realizes that not only in Berlin but in other large cities of Germany there are thousands of undersized, undeveloped, tuberculosis-stricken children, all due to undernourishment, he is apt to forget all about who started the war, all about nationality, and to wish that he could do something worth while in relieving a condition so distressing.

From the capable gentleman in charge of the relief work I learned that one-half of the milk received to be rationed out to the needy children who were insufficiently fed at home was furnished by the German Government, and that the other half came exclusively from German-Americans in the United States. I thought of this as a cause that might enlist the sympathies of the entire country, and that in the help extended Russia when we appropriated twenty millions for the purchase of "corn, seed grain, and preserved milk" to relieve the starving there, we have a precedent for like action in purchasing other products of the farm or the dairy to relieve a situation none the less pitiable in Germany. The one should appeal to our common humanity as much as the other. Furthermore, while the spirit of altruism would be the motive for such an undertaking on our part, the farmer would have an additional market and would have another example of the value of diversifying his great industry.

But, to come back to the question, it is at present not so much the example of the benefits of diversification which the farmer in the Wheat Belt needs as the means to enable him to diversify, to get a start—with many, another start—in diversifying his farm labors and his farm products. It will be remembered that the guaranteed minimum price of wheat of $2.50 per bushel ended under the limitations imposed by statute. The farmer soon thereafter faced an enormously depressed market price, made so in part by the big supply which he brought to that market. It became a price less than the cost of production. But there was another contributing cause, a cause which injured the producer of nearly all marketable farm products. The grower of corn, of oats, of barley suffered along with the wheat farmer. The stockmen everywhere, whether on the farm or out West on the cattle and sheep ranges, were among the heaviest losers. That cause was the deflation policy entered upon without warning by the Federal Reserve Board in the middle of the year 1920. Up to that time the policy had been a liberal one; it may have been too liberal. But advances of money and extensions of credit had been encouraged. The demand which followed to call in loans when due, to grant no further extensions of credit, came as a thunderbolt from a clear sky, with all its consequent loss and hardships. How infinitely wiser it would have been if some discrimination could have been practiced here in the way of singling out basic, essential industries from all speculative enterprises, and, where needed, to have protected them by reasonable loans or extensions of credit. To the farmer they could have said: "No; we can not loan you money now to buy additional land at fancy prices on which to raise more wheat; but if it is money for the improvement of what you have, or to stock your farm with cattle, sheep, or hogs, or to enable you to hold on to your grain and your stock for feeding and for more orderly marketing, we can accommodate you."

This, however, was not the policy of the Federal Reserve Board. Instead of using the pruning knife, they straightway laid the ax at the root of the tree. Had the board pursued a discriminating policy it could have curbed the enterprises or investments which were speculative only or based on fictitious values. It would, by so doing, have performed a mighty service to individuals who later "went broke," and to the country at large. On the other hand, in making loans or extending credit to the farmer for improvement purposes or for the pur-

chase of stock or for holding the produce until he could market to better advantage three great things would have been accomplished: First, many a needy but worthy farmer would have been saved; second, a check would have been put upon further inflation; and, third, that very diversification to accomplish which is the object of this bill would have been greatly promoted.

Had the banks of the Northwestern States, under the direction and leadership of the Federal reserve banks, pursued this policy it is easy to believe that both the farmers and the banks would have been immeasurably better off, and that bank failures and mortgage foreclosures would not have been, as they surely are, the order of the day.

This bill, Mr. President, refers to "regions adversely affected by the stimulation of wheat production during the war." How adversely affected? Low prices, high production cost, or weather conditions fail to tell the whole story. Why the small yields? Because of the violation of a principle as old as agriculture, the principle of crop rotation, or, if that be not possible, the return to the soil through proper fertilizers of the elements of which it has been deprived by the one-crop system. And so one of the natural but evil consequences of the propaganda for more wheat was the further impoverishment of the soil. The tendency had been, in the spring-wheat regions particularly, to crop the same land to wheat year after year for a long period of years.

The need for wheat, the assurance of high prices, encouraged this unfarmerlike practice, and for some three or four years more the slowly dying soil was devoted to the raising of nothing but wheat; and this was done to the neglect of other farm activities, of other farm resources, the necessity for the development of which to make the farm self-supporting must have been obvious to the Department of Agriculture, at least. But, so far as is known, no effort was made on the part of any Government agency to check or warn against this ruinous practice, responsible to a great extent as it certainly is for the "small yields" mentioned in the bill.

And so, Mr. President, through these processes and these conditions the present status of the wheat farmers of the Northwest is one of desperate need. The demands of the war, the action of the Government's own agencies in stimulating the production of wheat, and its subsequent drastic deflation policy are in large part responsible for that need. The responsibility is now upon the Government to help rehabilitate. It can do it in the manner proposed by this bill. This in turn will help another cause—that of cooperation. At the last session we enacted legislation for the protection of cooperative associations of farmers, ranchmen, dairymen, and others. With diversification the farmers will be found engaged in the production of grain and stock, which lend themselves more readily to cooperation in marketing than does the production of wheat.

Give the Secretary of Agriculture the power and impose upon him the duties provided in the bill. Authorize advances to the extent of $50,000,000, $20,000,000 to be used in each, the present and the next fiscal, year and $10,000,000 to be used in the fiscal year ending June 30, 1926. Used how? As a revolving fund to be expended and reexpended in making loans to bona fide farmers for the purchase of livestock, including dairy and beef cattle, hogs, sheep, and poultry, not to all farmers and everywhere, but to those particular farmers in the wheat areas who are unable through their own resources or through any credit facilities we now have to get a start in the business of diversified farming as contemplated by the bill. The maximum of $1,000 to be loaned to any individual for not exceeding five years, with interest at not more than 6 per cent, will give him not a great but a modest start—a fair start, perhaps, in the way of operating his farm on correct principles and in a manner to get the most out of it.

Mr. President, I want to say this: Among those who will be benefited by this law will be the thousands of ex-service men in our Northwestern country, in our wheat-growing regions, who were farmers before the war and who came back to go on the farm and engage in that industry after the war was over. They are in the same situation, of course, as farmers generally are. I should especially like to see these men share in the benefits of a bill like this, however, because of the gratitude we feel for the service they rendered.

In extending this aid to the needy farmers of the wheat area the Government will not only help men whose condition is little short of destitution, but it will furnish examples of the beneficent result of diversification in this great industry, which, followed, will mean greater prosperity among farmers generally as well as material additions to our national wealth.

THE CALENDAR—ADJOURNMENT TO MONDAY.

Mr. McKELLAR obtained the floor.

Mr. CURTIS. Mr. President, I desire to submit a request for unanimous consent.

Mr. McKELLAR. I desire to speak for about 10 minutes; but if the Senator desires to submit a unanimous-consent request, I will yield to him for that purpose.

Mr. CURTIS. I ask unanimous consent that at the conclusion of debate on the Robinson resolution the unfinished business be temporarily laid aside and that we go on with the calendar under Rule VIII, considering only unobjected bills.

Mr. ROBINSON. I have no objection to that request.

Mr. CURTIS. I would like also to submit another request.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Is there objection to the request which has just been made?

Mr. HEFLIN. Reserving the right to object, I will let the Senator finish his statement.

Mr. CURTIS. I was going to ask also, if this request is granted, that when the Senate adjourns to-day it adjourn until Monday next at 12 o'clock.

The PRESIDING OFFICER. Is there objection to the last request?

Mr. HEFLIN. Mr. President, it seems to me that the Robinson resolution should be acted on to-day. This is a very serious matter, and why should the Senate adjourn until Monday, when there is pending a resolution calling on the President to request the resignation of the Secretary of the Navy?

Mr. ROBINSON. Will the Senator yield?

Mr. HEFLIN. I yield.

Mr. ROBINSON. A number of Senators have engagements which will take them out of town this evening, and a number would be absent from any session that might be held to-morrow. I do not feel it is probable that a vote can be reached on the resolution either to-day or to-morrow, and under those circumstances, as far as I am concerned, I have consented to the request.

Mr. HEFLIN. What was the reason stated by the Senator from Arkansas?

Mr. ROBINSON. A number of Senators, both on this side of the Chamber and on the other, have engagements which will take them out of town, and they will not be here to-morrow.

Mr. CURTIS. I ask unanimous consent that at the conclusion of business to-day the Senate shall adjourn until Monday.

The PRESIDING OFFICER. The request is that when the Senate adjourns to-day it adjourn to meet at 12 o'clock on Monday. Is there objection? The Chair hears none, and it is so ordered.

Mr. CURTIS. Was the other request for unanimous consent agreed to?

The PRESIDING OFFICER. The other unanimous-consent request made by the Senator from Kansas is that at the conclusion of debate on the Robinson resolution to-day the unfinished business shall be temporarily laid aside and that the Senate shall proceed to the consideration of the calendar under Rule VIII, only unobjected bills to be considered. Is there objection?

Mr. HEFLIN. Reserving the right to object, I want to submit a few remarks, and before any unanimous-consent agreement is made that would shut debate off I want to know——

Mr. CURTIS. I stated plainly that the order for the consideration of the calendar is to go into effect at the conclusion of the debate on the Robinson resolution, not at the conclusion of any Senator's speech, but that at the conclusion of the entire discussion we shall take up the calendar.

Mr. HEFLIN. I shall not speak very long, but I want to say a little something to-day.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ADJUSTED COMPENSATION OF WORLD WAR VETERANS.

Mr. BRUCE. Mr. President, I desire to give notice that at the close of the routine morning business on next Wednesday I shall address the Senate on the subject of adjusted compensation of World War veterans.

DISMISSED EMPLOYEES OF ENGRAVING AND PRINTING BUREAU.

Mr. McKELLAR. Mr. President, on last Saturday there was printed in the afternoon Star of this city an article by Mr. Frederic William Wile, the well-known newspaper correspondent, in reference to the discharge of 27 employees from the Bureau of Engraving and Printing. I am quite sure that Mr. Wile has been misinformed in reference to the facts concerning those dismissals. His was an article which took up two or three columns in the paper, and the purpose of it

seems to have been to take the odium off the administration that caused the dismissals, and to put it upon a man by the name of Brewer.

It just happens that Mr. Brewer was examined by the Committee to Audit and Control the Contingent Expenses of the Senate just prior to February 22, last, and the facts developed at that hearing were so different from the facts as contained in this article, and show so clearly the attitude of the then administration toward these employees, that justice requires that the true facts be given.

I call attention to the heading of the article:

REVELATIONS SHOW HARDING MISLED IN COURT DISMISSAL OF BUREAU EMPLOYEES—CHARLES B. BREWER, WHO WILL LEAVE JUSTICE DEPARTMENT SOON, PRESENTED DATA WHICH PROVED UNRELIABLE—CRISSINGER, ALSO DUPE, AIDED TRAGIC EPISODE—PRESIDENT FEARED GIGANTIC PANIC AND ACTED WITHOUT ADVICE OF MELLON, WHO HAD GIVEN 29 ACCUSED MEN CLEAN BILL OF HEALTH IN PREVIOUS INQUIRY.

(By Frederic William Wile.)

Within a few days there will be dropped from the rolls of the Department of Justice a special attorney named Charles B. Brewer. Brewer is the man who persuaded President Harding to remove, under sensational circumstances, on March 31, 1922, James L. Wilmeth, director of the Bureau of Engraving and Printing, and 28 subordinate officials. Brewer's retirement will ring down the final curtain on one of the most tragic episodes in Federal history. Since they were publicly disgraced without stated cause, the traduced men and women have been cleared of the stigma unjustly placed upon them. But their exoneration can not be made complete without disclosure of all the incidents that led up to it. It has fallen to the lot of this writer to lift the veil from the mystery which for nearly two years has enveloped a case that Sherlock Holmes might have called "The amazing affair at the bureau."

Brewer, a young Alabamian, who entered the Government service as a clerk in the Navy Department 15 years ago, fooled President Harding into action that the latter deplored to his dying day.

Then follows the lifting of the veil in about two or three columns.

Mr. CARAWAY. Right there, may I ask the Senator a question?

Mr. McKELLAR. I yield.

Mr. CARAWAY. Shortly before that there appeared an announcement that there was a great mystery as to why President Harding never restored Wilmeth and Chamberlain to their civil service rights. The truth about the matter was that they were about the only 2 out of the 29 who had registered from my State, and then I was asked to come down and negotiate for their restoration.

Mr. McKELLAR. I want to say, in addition, that some time last winter the Senator from Arkansas [Mr. CARAWAY] introduced a resolution to investigate why these men were removed. As is the case with all such resolutions, it went to the Committee to Audit and Control the Contingent Expenses of the Senate, and there ensued a fight that was without parallel in the history of that committee, I believe.

President Harding demanded that he be allowed to send a special representative of the Department of Justice before the committee for the purpose of giving testimony which would justify his action. While very unusual, I could see no objection to his coming, and, indeed, I could not help myself, because the committee, under the chairmanship of Senator Calder, who was then the chairman of that committee, directed him to come, and I appeared and cross-examined Mr. Brewer, the man who is referred to here.

A day or two after the hearing in the Committee to Audit and Control the Contingent Expenses of the Senate there appeared a very remarkable interview given out by Senator Calder, the chairman of the committee. I am not going to quote all of it at this time, but I am going to read just a part of it to show the attitude of the President at that time. This correspondent, no doubt being misled by the facts as they were stated to him, undertakes to show that the President had been fooled by the Assistant Attorney General into taking this action. Let us see about it. This was stated at the time and put in the RECORD a day or two afterwards. The headlines of the articles as published are:

Ousted bureau officials will be denied old jobs—President Harding feels no regret—

I call especial attention to this—

President Harding feels no regret over changes and feels matter now closed incident.

The article then continues:

President Harding feels no regret over the changes made at the Bureau of Engraving and Printing, has "laid all his cards" before the Senate Committee on Contingent Expenses, and probably will make no further statement in the matter.

In making this known at the White House to-day, it was said that the President feels that restoration of the civil-service status of the dismissed employees was sufficient to satisfy their claims, in the absence of any specific charges against them.

The President was also represented as feeling that it was "neither possible nor desirable" to restore any of the dismissed chiefs to their positions in the bureau.

Mr. Brewer was sent by President Harding before the committee.

Mr. STERLING. Mr. President——

Mr. McKELLAR. Just a moment, and I will yield to the Senator. Fortunately for the RECORD there can not be any doubt about what Brewer said at that time. Why? There were three members of the committee there—Senator Calder, Senator KEYES, and myself. When this matter was brought up before the Senate, Senator Calder was present in the Chamber, and I made a statement of what the evidence was, and I call attention to that statement made at the time. On page 4224 of the RECORD of February 22, 1923, this is shown as having been stated by me:

I am delighted that the chairman of the committee, my good friend the Senator from New York [Mr. Calder], is present, and I want to say to him now that if I misstate any facts, if I go beyond the bounds in the slightest degree, I want him to correct me.

He sat in his seat the entire time, and never once corrected me, and could not, for I stated nothing but the facts.

In Brewer's testimony before the committee he declared at the time that he knew of no facts on which those employees had been discharged, and that he had never at any time recommended the discharge of those employees.

Mr. STERLING. Mr. President——

Mr. McKELLAR. I now yield to the Senator.

Mr. STERLING. I wonder if the Senator knows Mr. Brewer's official title?

Mr. McKELLAR. I do not know. I just know that President Harding made a personal request of the committee, through its chairman, to let Mr. Brewer, his agent in the matter, be heard at that time.

Mr. STERLING. While the Senator says that Mr. Brewer stated at that time that he knew of no charges against those who had been dismissed from the Bureau of Engraving and Printing, let me ask if the Senator has not heard, or learned, that Mr. Brewer made charges against them himself, and stated directly the opposite of what the Senator now states?

Mr. McKELLAR. I have learned about it since there has been a manifest effort upon the part of the present administration to make poor Brewer its scapegoat, trying to charge to him the opprobrium, if such it is, of having dismissed the employees. Mr. Brewer said before our committee that he had never made a charge of wrongdoing against anyone and that the President had not acted upon any such charge.

Mr. STERLING. The Senator knows that Mr. Brewer went both to the Secretary of the Treasury and to the President of the United States with charges against those parties, does he not?

Mr. McKELLAR. I do not know that at all. He said he did not. He said he was called frequently to the White House to discuss the matter. He said that he told the President of the United States time and again, and one time it was on Sunday, just what he told the committee, that there were some discrepancies in the numbers of the bonds, but that he made no charges.

I am reading just what I said then when it was fresh in my mind.

Mr. STERLING. Is the statement of Mr. Brewer there as a part of the RECORD?

Mr. McKELLAR. No; this is the statement I made at the time, which was approved by former Senator Calder, of New York, and there could not have been any mistake about it. It was fresh in the minds of all of us at the time. I was making it from my place in the Senate and Mr. Calder sat there listening to every word, with the request on my part that if I misstated it in the slightest degree he should correct me, and there was no correction.

Mr. President, Mr. Brewer came before the committee and was examined for several hours on two or three different occasions. The members of the committee present were Senators Calder, KEYES, and myself. There was no charge and not one scintilla of evidence offered by Mr. Brewer against a single one of these discharged employees. Upon cross-examination by me he admitted not only that he had no charge now to make against the dismissed employees or any of them, but that he never had any charge against any one of them, and that

if they had been removed, as he knew they had been removed, they had not been removed upon his recommendation. He made the further statement that he did not have a scintilla of evidence to connect any one of the 27 discharged employees with any wrongful transaction.

Then I said further:

Then the question very naturally arises, Mr. President, What connection has any one of these 27 employees that were discharged with the duplication of any of such bonds? None that Mr. Brewer knew—not the slightest connection. He made no charges when he was asked the question directly by me. When asked what connection there was between these duplicated bonds, as he called them, and the discharged employees, or any of them, he reiterated the statement that he had no proof against the discharged employees and had no charges to make against them, and had preferred none.

For the last two or three days we have seen a constant repetition in the newspapers here, one this morning and one yesterday afternoon, that President Harding had been misled, that he had been fooled by this man Brewer, his own Assistant Attorney General, into making this wholesale discharge of employees from the Bureau of Engraving and Printing during the night. Why, Mr. President, several of those men employed and thus discharged had a certificate of the best kind of character and a certificate that every bond in their possession had been honestly handled, made just the day before they were dismissed or on the very day they were dismissed.

There has never been an explanation of it. Every effort was made by our Republican friends under the direction of the President to prevent an investigation. The Senator from Arkansas [Mr. CARAWAY] was insistent that his resolution be reported out.

I was insisting that it be done by the Committee to Audit and Control the Contingent Expenses of the Senate. The Senator from New Hampshire [Mr. KEYES] and former Senator Calder as members of that committee voted against it every time and, of course, it could not be reported out. The President was cognizant of every step that was being taken, and I say that whatever may be the shortcomings of Mr. Brewer, about whom I know nothing and against whom I am offering no criticism, he ought not to be made the goat at this time.

Mr. BAYARD. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. BAYARD. Is it not a fact that several of the high employees placed in the positions of the gentlemen who were discharged from the Bureau of Engraving and Printing were appointees of Mr. Calder, of New York, and therefore he had an interest in seeing to it that the exact truth was told in the matter?

Mr. McKELLAR. I so understood; but, however that may be, I made the statement in my place here on the floor of the Senate, which Mr. Calder, sitting in his seat, did not deny, and with the request from me that if I misstated it in the slightest degree I should be corrected, that the real reason for the dismissal of the employees was that there were certain gentlemen in the Republican Party who wanted the places and the dismissals were made to give them the places, and that was all there was in it. That is all there was in this contest.

I think Mr. Wile, who stands very high in this community, has been misled into publishing a statement in the Washington Star attempting to throw the opprobrium on an employee that I imagine had nothing in the world to do with it. The only thing in the world Mr. Brewer had to do with it, in my judgment, was that he was appointed to look into it and see if some reasonable ground could not be ascertained for doing that thing which nobody could defend.

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

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

Mr. CARAWAY. Does not the Senator know that a short time after the discharge of the employees there has been in the office of the Secretary of the Treasury a report that shows there was absolutely no foundation for any charge to be made against those people?

Mr. McKELLAR. No; I did not know that, but I do know that about 30 days ago the Senator from Arkansas assured me that he had an agreement or understanding, and I know he had, with Senators on the other side of the aisle and with the administration that justice was going to be done to the employees who were discharged at night under circumstances which were a direct charge that they were guilty of having stolen bonds, and that they were going to be restored to the service of the United States. That agreement has never been fulfilled up to this time. What is going to happen about it I do not know.

Mr. WADSWORTH. Mr. President——

Mr. McKELLAR. I yield to the Senator from New York.

Mr. WADSWORTH. Perhaps the Senator will indulge me if I make an observation at this point.

Mr. McKELLAR. I am glad to do so.

Mr. WADSWORTH. I was one of the parties to the so-called agreement. The Senator from South Dakota [Mr. STERLING] and I were glad to confer with the Senator from Arkansas [Mr. CARAWAY]——

Mr. CARAWAY. May I correct the Senator there? The Senator from South Dakota [Mr. STERLING] was not present when I conferred with the Senator from New York. The Senator from Kansas [Mr. CURTIS] and the Senator from Massachusetts [Mr. LODGE] and the Senator from New York and I were present.

Mr. WADSWORTH. It is somewhat immaterial whether every person named was present at the same time at the same place for the same purpose. The Senator from South Dakota [Mr. STERLING] and I took the matter up with the Secretary of the Treasury and learned his ideas on the subject. He believed that the records showed that the discharges were not warranted and had not been warranted. He assured us that he would rectify the situation as soon as he could. I think the public prints have already announced some time ago that the resignation of the present director of the bureau is in the hands of the Secretary.

Since the upset of a year and a half ago the internal organization of the bureau has been tremendously disturbed and changed. Certain positions have been abolished and the functions of some positions have been transferred and combined with the functions of other positions. The internal set-up of the bureau just now is quite different from the internal set-up that existed when Mr. Wilmeth left the place. It is the task, and the puzzling task, for the Secretary of the Treasury to straighten all that out in order to get these men back into their old places or into places of similar responsibility and trust. That he has told us he will do.

Day before yesterday he took occasion to tell me that he is still earnestly working at it and just as soon as these puzzling complications could be straightened out they will all have justice done to them. The Secretary of the Treasury has kept the faith. He has kept his word as given to the Senator from South Dakota and myself. He is doing his best. I shall not at this time and at this place make any observations about Mr. Brewer.

Mr. McKELLAR. I am glad to have the assurance of the Senator from New York that speedy justice is going to be done. So far as I know, no suggestion had been made that Mr. Mellon was responsible for the discharge of the employees. The statement made at all times was that the discharge of those employees came directly from the White House.

Mr. WADSWORTH. It did.

Mr. McKELLAR. And, as I recollect Mr. Brewer's statement, it was that the Secretary of the Treasury did not know anything about it perhaps until the next morning. At all events I am hoping that the Secretary of the Treasury will speedily do the justice that is manifestly due those discharged employees.

What I am undertaking to say here is that there seems to be a studied effort to shift the responsibility to some subordinate of the Department of Justice when the responsibility belonged to others for the unwarranted discharge of those employees, now admitted by everybody to have been unwarranted, reflecting upon their character which they had earned through long experience. Three of them are already dead, so the Senator from Arkansas tells me, and probably their death was hastened on account of the great dishonor that had been done to them, and all done by Executive order. And now comes a plea that some clerk, or Assistant Attorney General who perhaps ought to have been a clerk, had fooled the President of the United States into making the order that would take away the character of those men and women and take away their places through which they earned their livelihood.

By the way, this Assistant Attorney General or clerk or whoever he may be is still in the employment of the Government of the United States.

Mr. WADSWORTH. Perhaps a little information on that point will not be out of place. Mr. Brewer has been kept in a position something of that character because he has continued to insist that he could prove that vast sums of money had been lost to the Government, and he was finally, after much discussion and disbelief on the part of the Secretary of the Treasury

himself, given a stated period in which to prove it. That period has expired.

Mr. Brewer is the person who came to the Secretary of the Treasury at the very outset of the whole proceeding and stated it as his belief that untold millions had been lost to the Government of the United States through mismanagement or worse in the Bureau of Engraving and Printing. The Secretary of the Treasury thought the statement was so fantastic that it was impossible of belief, and made a preliminary and unofficial investigation on his own account. That investigation convinced him personally that the story could not be true. The next that was heard was that the President had been convinced that it was true.

Mr. McKELLAR. Mr. President, I merely wish to say that I am not at all surprised that the Secretary of the Treasury thought that Brewer's observations about the matter, whatever they may have been, had no foundation in fact, for I cross-examined Mr. Brewer for two or three days on this occasion and found he knew nothing in the world about it. The only redeeming grace of Mr. Brewer was that he said he had never made a charge in reference to the matter, and that if these men had been discharged they had been discharged without any recommendation on his part. Those are the facts. Now, why try to shift the responsibility?

The President of the United States himself said that he was satisfied with what had been done and that the matter was a closed incident so late as February 20 or 21, 1923—less than a year ago. That was after he had all the knowledge of what had transpired in the Committee to Audit and Control the Contingent Expenses of the Senate, for the chairman of that committee, the then Senator from New York, Mr. Calder, at that time was in daily and almost hourly consultation with the President, or he said he was.

Mr. WADSWORTH. Mr. President, I do not want to be understood as having said that Mr. Brewer made any charges against any particular individual in the bureau; I do not understand that he did; but he did charge that the bureau had been run in such fashion as to result in the loss of millions of dollars. He indicted the entire bureau. Whether he had any assistance in securing the attention of the President and bringing him to the belief that the charge came from a reliable source and should be seriously considered, I do not know; but as the result of that character of charges the President was convinced that something was very wrong and, with one stroke of his pen, he removed the Director of the Bureau and all the supervisory officials.

It is, perhaps, true that Mr. Brewer did not charge anything against Mr. Wilmeth or any one of the 28 supervisory officials, but he charged the whole institution with being rotten, and the result of his charge was their removal.

Mr. McKELLAR. From what I saw of Mr. Brewer, I am frank to say how in the name of Heaven any person above 10 years old could be misled by him is inconceivable to me. As I have stated, I agree with the Senator that Mr. Brewer's statements before our committee were wholly incoherent; but he stated, not once but innumerable times, that he was not responsible. That was a year ago, when there was no politics in the immediate future; when there was no campaign looming up; when there was no effort, for political purposes, to throw responsibility on somebody else. Mr. Brewer said that he had never recommended the dismissal of any one of these officials; that he had not a scintilla of evidence against any one of them.

Mr. STERLING. Mr. President——

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

Mr. McKELLAR. I yield.

Mr. STERLING. But Mr. Brewer did make charges which, while not naming individuals, must necessarily have involved the very persons who were dismissed.

Mr. McKELLAR. But he said he did not; and it is quite remarkable that a year afterwards, these employees having been kept out all this time, though having been restored to the civil-service status by the President, who issued an order to that effect, were not restored to their positions.

The Senator from Arkansas [Mr. CARAWAY] and I urged at the time the order of restoration to civil-service status was issued that they be given their places or places similar to them in the bureau, but the President absolutely refused to do so. He said he thought he had done enough for them; that the facts warranted him in taking the position he had taken. Now, just upon the eve of a campaign we find article after article being published in local newspapers and probably throughout the country to the effect that the President was not responsible, but that some subordinate in the Department of Justice on whom he too freely relied is responsible. I say it is not fair; and Senators on the other side of the Chamber can not escape responsibility for those acts in that way.

President Harding made a great mistake in this matter. I said so at the time. I urged him in a speech on February 22, 1923, to restore these men, as they ought to be restored. I urged Senator Calder, while chairman of the committee, to report the resolution of the Senator from Arkansas, so that an investigation might be had in order that simple justice might be done to these men. It ought to have been done; I hope it will be done. I hope the Senator from New York [Mr. WADSWORTH] is correct and that it will be done; but it seems to me that there is an undue delay about the matter. Not only ought these men and women to be restored to their places—those who are still living—but we ought to pay to them every cent of salary which they have lost by this unjust and unwarranted action. They, perhaps, can never regain the full character which was theirs before, but surely we can make them whole in so far as Congress can do so with money at our command.

So, Mr. President, I wish to call the special attention of Mr. Wile, for whom I have the greatest respect, to the facts in this record and to urge him to write another article and submit all the facts and not connect them with politics and try to place the blame on a poor subordinate of the Department of Justice.

While I am on my feet, Mr. President, I wish to say that the Senator from Arkansas [Mr. CARAWAY] has done a great public service in having strenuously all the way through stood for justice to these employees. Everybody now admits the wrong; it is now the unanimous opinion of everybody that these men were dismissed without the slightest provocation or reason; that they had never done any improper or unlawful act.

However, the apology is now offered that the President did not do it of his own accord, but was simply overreached by some employee in one of the departments of whom nobody ever before heard. Mr. President, I hope that speedy justice may be done in this case, and I hope the Senator from Arkansas will introduce a resolution here providing for an appropriation to pay these employees what is justly due them.

Mr. STERLING. Mr. President, I corroborate every word uttered by the Senator from New York [Mr. WADSWORTH] in regard to what transpired when he and I together visited the Secretary of the Treasury with regard to these discharged employees. It was the first time that I had ever heard anything about Mr. Brewer, although I suppose, of course, that the President before he issued the order discharging the employees had what purported to be very direct and positive information from some source or other.

In last night's issue of the Washington Star there is an article under the heading:

Brewer eschews dismissals of 29 in bureau report—

Just what is meant by the word "eschews" in that connection I do not know; nor have I been able to learn from the article itself the application of the word—

Charges duplication of securities in final document to Treasury. All his allegations are to be checked up. Integrity of Government bonds not affected by findings, officials say.

Mr. Mellon, the Secretary of the Treasury, gave us to understand that he placed little reliance in the statements of Mr. Brewer, but that upon his insistence he had been given a limited time in which to make good the charges he had made against the bureau. I am not saying, Mr. President, that he made charges against specific individuals—not at all—but I say that his charges to the President of the United States must have been such that they involved the very supervisory officials who were discharged. Now, quoting from the article in last night's Star——

Mr. McKELLAR. Mr. President——

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

Mr. STERLING. I yield for a question.

Mr. McKELLAR. The Senator reads in that article that Mr. Brewer is responsible. Does not the Senator from South Dakota think that the President of the United States ought to have looked into that matter before discharging 29 employees, concerning whom only general charges such as the Senator now suggests were made, before depriving them of their places and depriving them of their salaries and depriving them of their reputations.

Mr. STERLING. That depends a great deal, Mr. President, upon how much of circumstantial detail Mr. Brewer professed to be able to give the President with regard to the duplication of the bonds and in regard to what officials of the Bureau of

Engraving and Printing were responsible for such duplication. I myself never saw Mr. Brewer, but can imagine that he appeared to be in possession of such facts and circumstances that the President himself was deceived by his representations.

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

Mr. STERLING. Yes.

Mr. McKELLAR. If that is so, why was there given out on the 20th of last February the following statement from the White House:

> President Harding feels no regret over the changes made at the Bureau of Printing and Engraving, "has laid his cards" before the Senate Committee on Contingent Expenses, and probably will make no further statement in the matter.
>
> In making this known at the White House to-day it was said that the President feels that restoration of the civil-service status of the dismissed employees was sufficient to satisfy their claims in the absence of any specific charges against them.

This article of Mr. Wile says that President Harding to his dying day felt that a mistake had been made, and yet as late as last February we find him standing by the action of the employee of the Department of Justice whom Senators on the other side now seem to repudiate and upon whom they are trying to lay the blame.

Mr. STERLING. Oh, Mr. President, I presume the President made that statement under such circumstances that his mind had not yet been disabused of the impressions created by the statement of Mr. Brewer.

Now, Mr. President, never for one moment have I felt that the President's motives should be impugned in this whole matter. I am sure that he acted from a sense of duty to the country and under the highest and most patriotic impulses in discharging these employees. It was not done for political purposes, as is evidenced by the fact that a great majority of those discharged were Republicans and not Democrats. Had the majority of them been Democrats, then it might well have been urged that he saw some political advantage possibly in the discharge of these men.

Mr. KING. Mr. President——

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

Mr. STERLING. I yield for a question.

Mr. KING. I wish to ask the Senator how he reconciles the conduct of the President with the repeated statements made to him by the Secretary of the Treasury, Mr. Mellon, who had made one or two investigations and had acquitted these men of any wrongdoing—indeed, had found that the department under Mr. Wilmeth had been run in an efficient manner? Does not the Senator think that the President ought to have had some confidence in Mr. Mellon, who is reported to have made a searching investigation and found no fault with these men?

Mr. STERLING. As stated by the Senator from New York, Mr. Mellon stated to us that when the men were dismissed he had made an unofficial investigation and had found no fault; that he repeatedly told the President so I do not know. I think perhaps he communicated to the President the information he had obtained from the investigation which he caused to be made; but, as I have said, the President's mind, I think, had been firmly impressed with the idea that these men were at fault.

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

The PRESIDING OFFICER. Does the Senator from South Dakota yield further to the Senator from Tennessee?

Mr. STERLING. Yes.

Mr. McKELLAR. Does the Senator think that these men should have been discharged or should not have been discharged? That is very easy to answer.

Mr. STERLING. I have expressed myself upon that subject many a time, Mr. President. I think it was a mistake to discharge these men. I think it was a mistake to discharge them without a hearing, in the first instance; and I think the President, in making the Executive order, really transcended his authority under the law.

Mr. McKELLAR. It was a violation of the civil service law, was it not?

Mr. STERLING. But I think the President was impressed with the idea that a great loss to the Government was imminent, a loss of many millions of dollars, and that was the reason for his drastic action——

Mr. McKELLAR. For his own violation of the law.

Mr. STERLING. Thinking that, after all, the Chief Executive of the Nation, in order to protect the people of the country from such a loss as that, was warranted in acting as he did act.

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

Mr. STERLING. I yield.

Mr. BAYARD. May I suggest to the learned Senator, who is also a learned lawyer, that these gentlemen and ladies were all under the civil service law?

Mr. STERLING. Certainly.

Mr. BAYARD. The President, had he desired to exercise his rights and stay within his power under the law, could have suspended all these men and women and then could have examined into their cases.

Mr. STERLING. Yes.

Mr. BAYARD. It was not necessary for him to discharge them from the Government employ in any way, shape, or form. He could have arrived at any conclusion he wanted to, with full opportunity, had they been suspended pending his examination into the facts.

Mr. McKELLAR. And, in addition, he had no legal authority to discharge them. He was himself violating the law when he undertook to discharge them.

Mr. STERLING. All this, Mr. President, is just a little beside the mark. I do not think we have a right now to go into the motives of President Harding, or to impugn those motives. His lips are forever sealed; and we can not have a statement from him now as to the impressions created in his mind by the stories told to him by this man Brewer, or by anyone else.

Let me read, in conclusion, from the article published in last night's Star, just to show the present situation and the present intention. I think this article must be authentic, and from a reliable source.

Mr. McKELLAR. Who wrote the article?

Mr. STERLING. It does not appear who wrote it.

Mr. McKELLAR. In what paper was it published?

Mr. STERLING. It was published in last night's Star. The Senator from Tennessee read from an article in the Star by Mr. Wile, appearing in the issue of a week ago, I think, or some days ago.

Mr. McKELLAR. Last Saturday.

Mr. STERLING. Yes; last Saturday. I am not going to read all of this article.

Mr. McKELLAR. It seems to be propaganda well kept up.

Mr. STERLING. The Senator may criticize this as propaganda if he pleases, but it simply reflects the understanding of the Senator from New York and myself since our visit to the Treasury Department, and our conversation weeks ago with the Secretary of the Treasury.

Mr. McKELLAR. Mr. President, will the Senator yield just once more, before he begins to read the article?

The PRESIDING OFFICER. Does the Senator from South Dakota further yield to the Senator from Tennessee?

Mr. STERLING. Yes.

Mr. McKELLAR. Will the Senator vote to restore to these men and women the salaries that they should have received after having been improperly and unlawfully discharged?

Mr. STERLING. I am not going to commit myself to that proposition now, Mr. President. When it comes before the Senate for a vote I will determine how I shall vote on it.

Mr. McKELLAR. It certainly will come before the Senate, I assure the Senator.

Mr. STERLING. Let it come. I do not care how soon it comes.

Referring to Brewer's report—the report which he begged the time to make, according to the Secretary of the Treasury, insisting that he could prove something, and the Secretary then gave him a limited time in which to make good—this article says:

> Brewer's report has not delayed the Treasury in its program of restoration of the ousted employees to their old positions or equivalent. Rumors had been gaining strength about the city that Secretary Mellon's delay in naming a successor to Director Louis A. Hill, and in restoring the ousted men and women, insinuated that the Secretary might have gone back on his word, and did not intend after all to carry out the program announced a few weeks ago. These rumors were branded officially at the Treasury to-day as absolutely false.
>
> The Treasury will go through with its whole program of restoration, it was said positively. A new director has not been chosen, but the delay has not been due to the Brewer report.
>
> Restoration of the ousted employees probably will not be made all at one stroke. They will probably go back one at a time, or a few at a time, according to present indications. First the director, then the assistant director, then others—this seems to be the prospect now.

Mr. McKELLAR. Mr. President, if the Senator will permit me, three of them have already died; and if they go back too few at a time, and too slowly—as slowly as has been the case since they were promised restoration—I am afraid they will all be dead before they are restored.

Mr. STERLING. I suppose the Senator will appreciate the difficulty in dismissing from their places now, and all at once, 28 or 29 men against whom no fault or offense has been charged.

Mr. McKELLAR. Ah! If that were so, why did not the President of the United States appreciate what was involved when he discharged these men and women?

Mr. STERLING. That is simply going back to the old question that we have discussed again and again.

Mr. McKELLAR. That is right; and we are going to continue to go back to it until we have it settled.

Mr. STERLING. This article continues:

The sensation of nearly two years ago, when the sudden dismissals roused a great suspicion in the minds of the public concerning the bureau, the integrity of the ousted chiefs and the security of the bureau product, is believed to be nearing a conclusion, in which, in so far as possible, amends will be made to the ousted men and women.

The resignation of Director Hill was the first act in the restoration program. The offer of his old job to Wilmeth was another. Wilmeth refused.

Brewer is to go. He will remain at the Department of Justice for a short while.

I will agree with the Senator that Mr. Brewer—not as an Assistant Attorney General but as a special attorney in the Department of Justice—ought to have gone long ago. I am glad he is to go, and go soon.

EDWIN DENBY, SECRETARY OF THE NAVY.

The Senate resumed the consideration of the resolution (S. Res. 134) submitted by Mr. ROBINSON on January 28, 1924, as modified by him.

Mr. HEFLIN. Mr. President, on yesterday near the hour of adjournment the Senator from New Hampshire [Mr. MOSES] made some remarks in which he accused Senators on this side of the Chamber of invading a sick man's room and parading about the grave of the former President, Mr. Harding. The purpose of this speech, it seems, was to charge that the Democrats were playing ruthless politics; that we were pursuing Mr. Fall, a former Republican member of the Cabinet, and that somebody had said something about the late President.

Mr. President, I have refrained from saying anything about the late President, Mr. Harding. I know of no other Senator on this side who has said anything about the late President. It seems to me that this speech was made for the purpose of arousing some kind of sympathy in the country for the present leadership of the Republican Party, and trying to arouse sympathy for Mr. Fall, who was in the Cabinet when he disposed of the Nation's oil reserves without any criticism from any Republican official.

The old saying that a man who lives in a glass house should not throw stones comes back vividly to my mind at this time. I recall when the Senator from New Hampshire [Mr. MOSES] interested himself considerably in the ex-President now, then President of the United States, Mr. Wilson. In 1919, when he was very sick, Senator MOSES ventured an opinion as to what was the trouble with him when he had not seen him. He offered an opinion, in a written document signed by him, stating that the President had had a lesion of the brain. He connected himself with this case so that at that time he was referred to for quite a while as "Doctor MOSES."

Mr. President, I submit that so far as I know the Senator from New Hampshire has never studied medicine; he has never practiced medicine, although he is an expert on Republican politics; but he ventured an opinion as to the President at that time, and put it in writing, and he was criticized by the great specialist, Dercum, who was in the city. I shall not detain the Senate to read the article. The headlines read:

Calls Moses rumor silly. Doctor Dercum denounces Senator for statement about a Wilson lesion.

I thought on yesterday, when the Senator was talking about the effort on the part of the Democrats to find out whether or not Mr. Fall was able to testify, that it came with poor grace from him to suggest that we were making inquiry about a Republican ex-official who had committed a crime against the whole people of the country when he himself had inquired into the delicate situation I have mentioned.

Mr. President, I recall another thing, and that is that Mr. Fall himself, then a Republican Member of this body, demanded to know the condition of Mr. Wilson's health. He was so bold and brazen in it all that he was quoted at the time as saying that he would be one of a committee from the Senate to go to the White House and break down the door, if necessary, in order to see the President with his own eyes. This is the ex-Senator around whom the Senator from New Hampshire undertakes now to throw a cloak of sympathy in the solemn and grave proceedings that his own unfaithful conduct has invited. This is the ex-Senator who is covered all over with the stripes of condemnation laid upon him by a unanimous vote of this body as having been guilty, while in public office, of an act growing out of the practice of fraud and corruption, an act contrary to the law of Congress, an act in bold defiance of the fixed custom of the country. That is the man for whom the Senator from New Hampshire would undertake to arouse sympathy. He speaks of going with a jazz band into a sick man's room. There has been too much pussyfooting in this thing already. They wanted to let Ed McLean send a written statement here, if he so desired. That is the treatment accorded a millionaire witness by the Republican Party.

Poor men in the common walks of life are told to come in person. You go after them with a subpœna. You send an officer for them. They have to stand up and face the music and testify. But one of these highbrows in the financial world, who has a big, fat purse, is just bowed and smiled out by the leaders of your party; and you say to him, "Now, if it suits your convenience, you can just write a statement or communicate with us at your leisure." It is a wonder you had not told him he could talk to you over the long-distance telephone or that you would hear what he might care to say over the radio.

Mr. President, I wonder if this visit of physicians to Mr. Fall was in a way the fulfilling of the law of retribution. He acted outrageously and scandalously toward President Wilson when he was sick in 1919. I remember how everybody who talked about it here expressed their astonishment and indignation at his conduct. He demanded to see President Wilson. The papers had his picture in them coming up the Avenue from the White House. He finally went, and what did you do? You did not pick out a body of reputable physicians to go and make a report to you. You sent Fall, and he went, and you opened the door and let him in on this sick man, who was lying almost on the border line of death. The doctors were saying, "He must be very quiet. If he is kept perfectly quiet, we think he is going to pull through and live." Thank God, he has; but what were the vultures of mean and contemptible politics doing? They were hovering around the Capitol, and you could hear the whir of their wings in the atmosphere about the White House. They were hoping that he would die. What a cruel and gruesome performance was that of Mr. Fall, a Republican Senator.

Mr. TRAMMELL. Mr. President——

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

Mr. HEFLIN. I yield to my friend from Florida.

Mr. TRAMMELL. Has the Senator explained the reason or the motives which called for this visit? Has he brought out the point that it was because certain Senators wanted to make it appear that the President was not really ill?

Mr. HEFLIN. That is true.

Mr. TRAMMELL. Some of them were talking that way, and others were saying he was very sick.

Mr. HEFLIN. That is true. I thank the Senator for that suggestion. They were saying they did not believe he was very ill, and wanted to know the state of his mind and the condition of his body. They said, in effect, "Let us see if we can not find a way to get him out of the White House." They no doubt wanted to get rid of him. God knows how badly you treated him, this mighty intellect of America. There were none who measured fully up to him in the century gone—a superb, masterful, big-souled man. God had a mighty purpose back of this boy before he was born. He has lived to bless mankind, and when he had reached the very mountain top of his career, where all the world looked up to him in adoration and gratitude, you had a Republican Senator demanding that he be allowed to go to his sick room as he lay there battling for his life—the great Chief Executive of the Nation. He did go. He walked in that room and he looked at the President, and I have been told that the President threw his eyes on him with a look of resentment and indignation that perhaps Fall will never forget. He broke down while working for the good of his country and the peace and happiness of the world.

These hungry partisans, anxious to find something on which to fight for Republican control, were willing to go into a sick chamber—what might have proven a death chamber—for their political materials on which to base a campaign to turn over the control of the Government to them. They got it, Mr.

President, and now look what we have. There are irregularities, crooked doings, or scandal in nearly every department of the Government under the control of your party. I do not believe that you have a single department entirely free from some sort of crooked conduct.

The senior Senator from South Carolina [Mr. SMITH] read a statement this morning showing that the united spinners of Great Britain are trying to get the spinners of the United States to join with them for the purpose of having a common agreement to curtail the use of cotton, to reduce the amount used by the spinners. We are the greatest cotton-producing country in the world. This statement said that the scheme so hurtful to the cotton-producing industry of the United States was looked on with favor by some of the high Government officials in Washington. I think I know who one of them is just as well as if I had seen his name already—Herbert Hoover, 14 years a citizen of London, a foreigner, now sitting in your Cabinet. We used him as part of our administration of affairs during the World War because of his knowledge of things over there and everywhere in time of war and in a great world emergency, but you have him in your Cabinet, in time of peace, as an American citizen, and I believe that he is one of the men who is encouraging this combination in the interest of Great Britain's spinners against the cotton producers of the United States.

Senators on the other side, I could consume all the time from now until midnight and not begin to relate the charges that lie at the door of your party. Yet Fall was seeking something in a political way to build on, to try to appeal to the country on, to turn over the reins of the Government to the Republican Party. They got control of the Government, and now what have the people got? Graft, scandal, corruption, and crime on every hand.

The Senator from Tennessee [Mr. MCKELLAR] and the Senator from Arkansas [Mr. CARAWAY] have just been talking about these twenty-odd men and women, former honorable Government officials with records white as snow, driven out by an Executive order. They lost their means of livelihood, their characters were besmirched, their reputations were hurt, and two of them died of broken hearts, gone into that undiscovered country beyond the land of death, knocked down and crushed under the spoils system of the Republican Party.

You may be able to explain that, but I think these places that these men and women had you wanted for partisan Republicans, and you put them in their places. Now we have fought for these outraged Government officials until you have been forced to declare your intention to do something for them. You changed your attitude only when a Democrat showed you the outrageous thing that had been done and when indignant public opinion commenced to lash you about the Capitol, and now you are talking about what you are going to do, as you have been talking for several weeks, and in the meantime these men and women are still out of the Government service. They were dismissed upon unsupported and uninvestigated charges.

It proves true the contention that I have always stood for since I have known from service in Congress the real purposes and policies of the Republican Party—that the only champion the poor man and poor woman and the man and woman of moderate means has is the Democratic Party. The Republican Party is the party of the plutocrat. The Republican Party is the party of those who rely on big campaign funds. The Republican Party relies upon a subsidized press and the power of the purse to put it over, and the Democratic Party relies upon patriotism and principle, upon the rules of right and the laws of justice, upon the honesty and intelligence of the people. That is the difference between the two dominant parties to-day, and "By their fruits ye shall know them."

I thought I heard a Republican Senator say when I quoted that scripture: "Is that in the Bible?"

Mr. NEELY. Will the Senator yield?

Mr. HEFLIN. I gladly yield to my friend from West Virginia.

Mr. NEELY. The Senator from Alabama would not expect a number of those on the other side to find anything in the Bible unless they did ask about it, would he?

Mr. HEFLIN. A very timely suggestion, Mr. President. I mentioned a text the other day that may be preached from a great deal in the next few months, "Weighed in the balances and found wanting." That covers the whole Republican situation here.

There are so many things needing attention that we can not even touch upon them in one speech. The Republican administration tried to dispose of our fleet of merchant ships, costing $3,000,000,000, to men who had been formerly connected with the Shipping Board. The line of crooked doings and graft runs through it all. It is the dominating note, it seems, in the leadership of that party, when they get control of things where there is loot to be had.

Those ships cost this Government $3,000,000,000, as I have said here before, and they passed a bill through the House providing for the sale of them for $200,000,000. That was a loss of $2,800,000,000 to the Government. They were going to give the Ship Trust $50,000,000 a year to run them, and that, in four years, as I pointed out at the time, would have given back to them the original purchase price of $200,000,000 and they would have had our fleet without cost to them and we would not have had this merchant fleet, which is, next to Great Britain's, the greatest merchant fleet in all the world. So, Mr. President, I say this line of graft seems to run through it all.

I thought of a story I heard once about a tramp who came down the road. He passed a grove where some people were having a picnic. He walked up with a pitiful story and told them that he was about to starve and asked them to give him something to eat. The good ladies fixed him up quite a supply of country ham, fried chicken, biscuits, cakes, pie, preserves, and everything good to eat you can think about and tied it up in a big napkin and he went down the road seemingly very happy. He sat down under a broad branching mulberry tree on the roadside. The weather was warm. When he opened up that splendid food supply tied up in the napkin gnats and flies and ants and insects of every kind commenced to swarm about him. He brushed them aside and fought them off for a time, and then he said, "I oughn't to do that. These people have been exceedingly good to me, and I ought to let these insects enjoy themselves." So they crawled over his face, and every now and then he would wave mild-manneredly at them, but not in angry fashion. Finally, when he finished his meal, he leaned back against the tree, pulled his hat down to shade his eyes, and soon fell asleep. Then these insects did enjoy the feast to their hearts' content, and a yellow jacket, being of an inquiring mind, tracing a little sugar trail across his brow left there while he was waving his hand, endeavoring at first to run the insect away, got up under his hat band, and being pretty good sized, and the crawling a little rough, when the man asleep just shook his head unconciously, the hat band pressed heavily down upon the yellow jacket, and the yellow jacket stung him in the forehead. He threw his hat off and arose, striking with both hands and feet, and said in deep earnestness "For that, you'll all get off." So Mr. President, after the ugly disclosures that have been made in the various departments under a Republican administration, the people will not be satisfied with the removal of a few unfaithful Republican officials. They are going to say "For all this, you'll all get off."

I was about to overlook another important suggestion in the Nation:

> The Navy officers who protested against the further alienation of the other naval oil tracts were exiled from Washington for their impudence.

Why were they sent away? They were sent away because they did not agree to the plan that was looking to the loot of one hundred millions in one naval oil reserve and one hundred millions in the other, and wherever one of them had the courage and the honesty to speak out and condemn the naval reserve disposition they moved him, and then picked the Navy over and found one admiral who was with them, and he above all was appointed to handle this thing in which the Nation was so vitally interested.

I read:

> The Republican Party was true to its traditions. It is once more revealed as an aggregation of rich profiteers, busily engaged in exploiting the country for the enrichment of its backers by means of tariffs and other favors. It is shown once more to be a Government of (meaning the Republican leaders make it such), by, and for the holders of special privilege. Once more the country faces the question Boss Tweed insolently asked of the people of the city of New York: "What are you going to do about it?"

That is the situation that confronts us. We ask you to join us in passing a resolution calling on the President to request Mr. Denby to resign, and the only speeches that have been made on the other side of the Chamber so far have opposed that resolution. I gather nothing from the speech of the Senator from New Hampshire [Mr. MOSES] that indicated that he favored it. So he is against it. The Senator from Maine [Mr. HALE] is opposed to the resolution. Those Senators who

have spoken since we passed the resolution condemning the Secretary of the Navy and the Secretary of the Interior are the only two who have spoken on the other side and they have come out against the passage of the resolution.

I was about to overlook the Senator from Massachusetts [Mr. LODGE], the leader of the Republican Party, who was so vehement in his speech against the principle of the resolution, and he called it "lynching the Secretary of the Navy. You are going to take him up and throw him out of office without giving him a trial." Mr. President, the Senator from Massachusetts voted for a resolution which said that the Secretary of the Navy had done a thing that was surrounded with fraud and corruption. Why did he not give him a trial? That he had done a thing contrary to the law of Congress, and that he had done a thing against the fixed policies of the Government. If he voted for that resolution, and he did, why did the Senator then rise, when we are seeking to remove the man we have already said in another way is not fit to be in the Cabinet, and protest against the last resolution?

The Senator from New Hampshire [Mr. MOSES] said we had nothing to do with the Secretary of Navy now that he had been confirmed and that he was beyond our reach and control. Let us see if that is sound. He suggested in that connection that we voted for his confirmation and that then was the time for us to have opposed him. Why, Mr. President, I never dreamed that any such scheme as this was in store for us. I never dreamed that they were going to pull off such a criminal deal, a deal that has astounded the whole people of the country. The Senator would suggest, and how weak is his position, that we ought to have objected to him when he was confirmed. He is not the first man that ever got into a Cabinet that ought not to have been there, but he got in there, and again I quote the Scripture, "By their fruits ye shall know them."

We did not know him then, but we know him now. It does not make any difference, we say, whether he intended to be corrupt in this matter or not, not at all. He is an officer of the Government of the United States and we, sent up from the various States of the Union, are supposed to represent the best interests of that Government, and the best interests of the Government call for the resignation of this man. Are we going to say that he has not had a trial? Let us see what the excuses are. Let the President request him to resign. Let him put up his defense and let us and the country know what that defense is.

I want to remind you about the Teapot Dome, and in connection with that a matter as to which I did not have full information last night. I told you about a boy, who was an ex-service man, owning surface rights on the Teapot Dome, and how he was ejected and never was paid one dime for the use of his surface rights, how he appealed from that decision and the local authorities sustained him, how the Commissioner of the Land Office sustained him and then, how cruel, his appeal was sent to Mr. Fall. Think of it, Senators—a boy who walked out with his gun and went away to fight 3,000 miles from home, to come back and have his rights passed on, the local authorities sustaining him, the litigation being continued and in the next step he was sustained, and then the final decision rendered by the man who was putting the deal over and who was getting money out of it. That man turned the papers over and wrote with his own hand, I am reliably informed, "reversed." That knocked the boy's claim dead and they moved him away.

Do you know what happened up there? I am going to give the name of this boy. His name is Max Mahoney, an ex-service World War veteran. Some of the best oil wells on the Teapot Dome were bored through his surface rights, and he has not got a dime for them. He was driven off under a Republican administration, and is wandering about the country now without a penny in return for the outrage done.

While the Senators on the other side of the Chamber are speaking about doing an injustice to this big Republican official in the Republican President's Cabinet, I make an appeal for this boy, and if it had not been for that boy and his kind we would not to-day have and enjoy the liberty that is ours. I want you to remember these citizens in the common walks of life when you get ready to make a sympthetic appeal for some high Republican official. Think then about this boy, who when he was told that you were not going to give him a bonus or adjusted compensation, but to go out yonder somewhere and get a piece of land and settle on it, and that that would be the right thing to do, said, "All right, you turned me down at the Capitol, so I will go out there and settle on a piece of land." He went up there and got this land in due process of law and he settled upon it. Here you came with the authority designated by Republican leaders and officials and you ejected him and used his lands to bore these wells and build stores for the company, and they never paid him a cent.

Oh, Mr. President, I thank God that we have a forum like this where these vital incidents can be told and go into the records of Congress and that somebody will represent the people who do not belong to the millionaire and billionaire class. It is fortunate for the people that there is such a thing in this country as the Democratic Party.

Mr. President, we sent three reputable physicians to see about Mr. Fall's condition. The report had been coming to us that he was unable to testify. We had a right to know about that if he could travel from Florida back up here. I had no disposition to intrude anybody into his sick room, but he is important in this great case and the country ought to keep its eye on him because he has been guilty of a most heinous crime against the country. What did we do to see whether or not it was advisable to take his testimony? We sent three reputable physicians and they report, as I understand, that he is able to testify. Is that right?

Mr. TRAMMELL. That is what the paper says this evening.

Mr. HEFLIN. I am informed by a member of the committee [Mr. DILL] that that is correct, that he is well enough to testify. We did not get this through any layman, like my friend the Senator from New Hampshire [Mr. MOSES] or Secretary Fall himself, when he intruded himself at the White House upon the bedside of one of the greatest statesmen that ever lived in all the tide of time. We sent physicians and they went in and talked to Secretary Fall pleasantly and they report, "Why, yes; he is well enough to testify."

We have gone about it in a nice, mild-mannered way, and the Senator from New Hampshire talks about going with a jazz band. Oh, Mr. President, the Republicans have not much memory on some things.

I have often wondered what G. O. P. means in Republican Party parlance. I have heard it said that it means "Going Out of Power," and there is no doubt on earth that that is very true of that party to-day. It is "going out of power" with a trail of oil all over its back and running down its sides. Oil! The Oil Party? Now, instead of just calling it the Grand Old Party, and saying G. O. P. means "Going Out of Power," I have found a new meaning, suggested by a friend in my State, for G. O. P.—the Great Oil Party.

Let me read again from the oration:

> If these Teapot Dome revelations, these heaven crying demonstrations that corruption has reached right into the Cabinet itself, do not arouse the country, what else can? The very least thing they ought to accomplish is to make impossible the candidacy of Calvin Coolidge.

The article calls attention to another thing about the want of indignation on the part of the President and his want of strong feeling when he found out just what had been done by these Republican officials. It suggests how mild he was in that midnight statement where he said too much about if this had been done and if that had been done, and if it is found that the other has been done, and if it is discovered that the other thing may have been done—if, if! Does that sound like a man who was going after them strong?

Why, Mr. President, I was not surprised on yesterday when I read a statement in the Washington Times, written by Mr. Kenneth Clark, that the President had said to those with whom he talked that he would not permit Mr. Denby to resign. I have not seen any Senator rise in his place to-day on the other side of the Chamber and heard him deny that statement. I take it that it is true that the President said he would not permit Mr. Denby to resign.

Oh, Mr. President, and Senators, what an awful situation is upon us! The President will not permit Secretary Denby to resign—after what? After he has been branded by the Senate by ninety-odd votes, without a dissenting vote—and the House has also passed the joint resolution, unanimously, I believe—in the face of that situation, the President will not permit him to resign under fire. I wish he had resigned before he had disposed of the Teapot Dome; I wish he had resigned before he had disposed of the reserve to Doheny; I wish that both he and Fall had never gone into the Cabinet; but he is in there, though Mr. Fall is now out, and we are trying to get him out.

Mr. President, the people of this country are very intelligent and in the main they are patriotic. They love their country. I do not want anything to happen to shake their faith in the free institutions of America. More than that, I do not want anything to occur that will cause them to lose confidence in the men who are chosen to sit at the seat of government, to conduct the affairs of the Nation. I wish to say that the right-thinking man and the right-thinking woman when they read what we have said about Mr. Denby and read what the Presi-

dent has said about not letting him resign are going to say there is something radically wrong about this thing; and they will be right about it.

I do not know what the political game is with the administration, Senators and the President, but I know what is required in the premises, and that is that the President should act not as a Republican President but as a President of the whole people, for the good of the whole people, and not with the view of doing that which will help to elect him as a Republican and put his party back in power. I would scorn that suggestion, and I would have this man's resignation before the sun went down.

Well, the Senate passed the joint resolution yesterday afternoon, and after it was passed here came the newspaper article stating that the President was not going to get rid of this man. Mr. President, it is sickening to me; I confess that I have become impatient with the way this thing has been handled by those who seem to think more of an opportunity to play politics than of a chance to serve their country.

Can Mr. Fall complain about our sending doctors up to him? He did not propose to send doctors up to President Wilson, but proposed himself, a layman, to go with a motive in his heart that was not at all commendable. Can he or his Republican friends now complain that we have invaded his sick room? No. He can say if he does:

> The thorns which I have reap'd are of the tree I planted; they have torn me, and I bleed.

He can also quote from an old familiar song:

> That mercy I to others show,
> That mercy show to me.

Has he got any kick coming in that view of it when he recalls the mercy that he showed to President Wilson when he no doubt had in his mind that very hour what he was going to do whenever he got his hands on the naval reserve oil lands of the United States? I think he did; I think he was planning for it then.

Mr. President, in conclusion, I wish to say this: I would not have spoken on this matter to-day but for the failure of the Senator from Massachusetts [Mr. LODGE] to yield to me yesterday afternoon when the Senator from New Hampshire [Mr. MOSES] closed his speech with his unfair and unjustified tirade against this side of the Chamber. If I could have responded in three or four minutes then, I would have reminded the Senator from New Hampshire of his own part in the 1919 performance when President Wilson was sick and of Mr. Fall's performance; but I announced that I would speak to-day when the Republican leader refused at that time to yield after he had gotten the floor to move that we go into executive session.

Mr. President, I had hoped that to-day we would vote upon this resolution; I had hoped that we would pass it; and would say to the President, "In view of what has happened here, we ask you to request Mr. Denby to resign, to get out of the Cabinet as Secretary of the Navy."

I am hoping that steps will then be taken that look to the good of the whole people of the United States. I want to see the time come, let me say, when Democrats and Republicans will work together in things like this, when there will be no difference between them when it comes to denouncing corruption and crime. When they find crookedness in office and corruption in high place, I want to see them together storm the point where such conduct occurs and stamp it out. However, I regret to say we have not seen that in this case. Some Republican Senators are opposed to the pending resolution.

When any party gets to the point where it would try to keep covered up a great wrong until a general election should have passed and to keep disclosures from coming out that would startle and astound the Nation that party has reached the point where it ought to die. That is putting partisanship above patriotism and the good of the country, and no partisan ought ever to reach the point where he will do that which will promote party interest to the hurt and injury of his country. That is wrong, Mr. President.

I recall the legend of the Chickamauga Tribe of Indians. It was the meanest tribe that ever existed. Foul play was practiced, all sorts of advantage taken; it was mean, vicious, unscrupulous, and unrelenting. But where is the Chickamauga Tribe to-day? Dead; they are all dead. Why did they pass from the face of the earth? Because all the other tribes got together and said, "We are going to make common cause in the matter of destroying this tribe because it is a menace and a danger to the peace and happiness of all the red men in the world." And they set upon this tribe and destroyed it to the last man.

I want to see the day come when the Democratic Party and the Republican Party will vie with each other as to which can have the cleanest, best, and most respectable administration, holding fast to the high purposes for which this Government was instituted, holding it true to the purpose of its creation, and when fraud and corruption and graft and crime spring up in its strongholds let us join together and march in solid phalanx against them and in the interest of justice and right and good government destroy the forces that would pull down and destroy our Government.

Mr. DILL. Mr. President, the testimony which has just been adduced before the committee which is investigating the oil-lease scandal is so sensational that it seems to me everybody connected with the Government must realize that the successful prosecution of these frauds is necessary to the continued confidence of the American people in their Government. Sitting in this Chamber and in this Capitol, with its surroundings, I think we are likely not to realize the gravity with which the great mass of the people of this country are considering the revelations being made regarding these oil leases. I believe it is a national crisis, and as such demands unusual consideration and action. No political party or its future can be considered in this situation.

A national scandal that has attracted the attention not only of the Nation but of the world demands a national prosecutor who will certainly, if it be possible under the law, recover for the Government these reserves which have been stolen or given away and place the guilty men in the penitentiary.

The revelations this morning show that Mr. Gregory, one of the men whom the President has named to conduct the prosecution—and I attribute no wrong intentions to the President; I think he acted from the highest motives—has recently been in the employ of Mr. Doheny, who is one of those who probably will be prosecuted and one of those who secured these leases.

Mr. CURTIS. Mr. President, I am informed that the President announced to-day that Mr. Gregory would not be employed.

Mr. DILL. I felt sure that as soon as the President learned the fact he would take such action, but I can not understand the legal standards of a man, disregarding any other consideration, who knowing his own connection with Mr. Doheny, could have allowed the President even to consider him, much less accept employment, when the offer was brought to his attention. Of course it might be said that the President should have learned of this beforehand; but Mr. Gregory owed it to the President and to the country to inform the President of this the moment his name was mentioned.

The testimony this morning shows that Mr. Doheny has had in his employ, since they left President Wilson's Cabinet, four of his Cabinet officials. What do these things mean to the country? They mean that the whole country is beginning to wonder whether anybody can be found who is clean and who can be trusted.

In the face of this situation I want to make on this floor a suggestion as to the prosecutor in this case. There is one man who, I believe, could be chosen, and who, if he would accept the appointment, would have the confidence of the entire people. That man is a man who sits on the Supreme bench, Mr. Justice Brandeis, who successfully prosecuted the Ballinger case and who has the confidence of all men everywhere.

If it be possible, I think he should take a furlough from the Supreme Court; and, if not, I think it would be wise if he would resign and serve as a prosecutor in this case, and then the President could reappoint him for his services. I make this suggestion, Mr. President, because I believe that unless the officials of this Government, from the President down, select men who have the confidence of the country to prosecute this case, and unless it is carried to a successful conclusion we shall endanger the very existence of this Government.

The American people are aroused over this thing. They believe that public officials are for sale in Washington; and it behooves all of us, from the President down, to see that there is appointed in this matter somebody of such national reputation, of such unsullied character, of such great ability as a prosecutor, that everyone everywhere will say that if anything could be done to return these oil reserves to the Government and to put these men in the penitentiary that man can do it.

I believe that in this emergency the President should call upon this man, Mr. Justice Brandeis, who is the outstanding prosecutor of the Nation; and I believe that in a patriotic spirit he could be induced to accept the position, and prosecute this case as it ought to be prosecuted by the most able, the most fearless, and the most aggressive counsel that the country has ever produced.

SOVIET GOVERNMENT OF RUSSIA (S. DOC. NO. 31).

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States relative to Senate Resolution 114, agreed to January 14, 1924, which was read:

To the Senate:

I transmit herewith a report by the Secretary of State in response to the resolution adopted by the Senate on January 14, 1924, requesting him to furnish to the Senate copies of reports made during the last six years touching Russian affairs by William Boyce Thompson, Col. Raymond Robins, General Graves, Gov. J. P. Goodrich, Major Slaughter, and Major Faymonville.

CALVIN COOLIDGE.

The WHITE HOUSE, *February 1, 1924.*

Mr. HEFLIN. Mr. President, what was that list? I did not catch the reading of it. What is it about?

The PRESIDENT pro tempore. It is in response to a Senate resolution asking the President to transmit to the Senate certain reports concerning the Russian situation.

Mr. HEFLIN. Did I hear the Secretary read the name of William Boyce Thompson?

The PRESIDENT pro tempore. The report speaks for itself. The Chair has read the entire report, and the Secretary of State reports that concerning certain of the men mentioned in the original resolution there are no reports, but concerning others there are.

Mr. HEFLIN. But William Boyce Thompson is not recommended for any office, is he? He is the treasurer of the Republican National Campaign Committee who borrowed $3,000,000 on a dummy note from one of the member banks up in New York during the compaign of 1920, and I want to keep my eye on him.

The PRESIDENT pro tempore. Does the Senator desire the report read? If not, it will be referred to the Committee on Foreign Relations.

Mr. NORRIS. Mr. President, before the Senate takes that action I want first to ask if this report is in response to the resolution introduced by the Senator from Idaho [Mr. BORAH]?

The PRESIDENT pro tempore. It is.

Mr. NORRIS. Then I ask that it be kept on the table until the Senator from Idaho can examine it and express his wish in the matter. He does not happen to be in the Chamber at the present time.

The PRESIDENT pro tempore. That course will be pursued, and the report will lie on the table.

ORDER OF BUSINESS.

Mr. CURTIS. Mr. President, it is so late that I do not think we will ask to have the calendar taken up to-night; and I therefore move that the Senate proceed to the consideration of executive business.

The PRESIDENT pro tempore. Before that motion is made, the Chair desires to make a statement.

Mr. CURTIS. I will withhold the motion.

The PRESIDENT pro tempore. The statement is with reference to the Chair's understanding of the unanimous-consent agreement entered into during the absence of the present occupant of the chair. There was considerable discussion with regard to that agreement, and the Chair understands from reading the entire record that the unanimous-consent agreement is that if no Senator desires to continue the discussion of the so-called Denby resolution this afternoon the Senate will then take up the calendar under Rule VIII. The Chair does not understand, however, that the unanimous-consent agreement will prevent the continued discussion of the Denby resolution when the Senate meets on Monday.

Mr. CURTIS. The Denby resolution was temporarily laid aside.

Mr. ROBINSON. The unfinished business is the so-called Denby resolution, and at the request of the Senator from Kansas that is to be temporarily laid aside.

The PRESIDENT pro tempore. Precisely; but the discussion contains language that might lead to the conclusion that the end of the debate this afternoon is the end of all debate upon the resolution. The Chair is sure that was not intended, and wanted to make that matter perfectly certain at the present time.

Mr. ROBINSON. I express the hope that a conclusion may be had Monday, and a vote reached then.

Mr. JONES of New Mexico. Mr. President, a report was filed to-day from the Committee on Agriculture and Forestry on Senate Joint Resolution 52. It came here as the unanimous report of the committee, and while it is not upon the printed calendar it is upon the calendar. I ask unanimous consent to take up that joint resolution for present consideration.

Mr. CURTIS. Let it be read, Mr. President.

The PRESIDENT pro tempore. The Chair suggests that he must first ask whether any Senator desires to continue the discussion of the so-called Denby resolution this afternoon.

Mr. EDGE. Mr. President, in that connection I should like to give notice that I desire to speak on the resolution next Monday after the conclusion of morning business if an adjournment is taken or after the convening of the Senate on Monday in case of a recess.

Mr. TRAMMELL. Mr. President, I had hoped very much that we could dispose of this resolution to-day. I do not quite understand why we should delay the matter for further consideration on Monday; but, of course, if we are going to adjourn over until Monday anyway, it would be practically an imposition upon other Members of the Senate to enter upon a discussion of the subject at this time, as it is now very nearly 5 o'clock. If we could get a vote this afternoon or to-night, I should want to discuss the resolution.

Mr. ROBINSON. Mr. President, I looked into that matter and stated early in the afternoon that there are a number of Senators who want to speak on the resolution and who are not ready to proceed to-day, so that it is impossible, or, to say the least, impracticable, to secure a vote on it to-day.

Mr. TRAMMELL. That is perfectly all right, Mr. President. Of course I had hoped that we could dispose of it to-day; but, under the circumstances, I will wait until Monday to discuss the resolution.

RELIEF OF AGRICULTURAL DISTRESS IN NEW MEXICO.

The PRESIDENT pro tempore. The Chair understands then, that no Senator desires to speak on the Denby resolution this afternoon; and, under the unanimous-consent agreement, the calendar is in order. The Senator from New Mexico [Mr. JONES] asks unanimous consent that there be taken from the calendar the joint resolution to which he has referred and that the Senate enter upon its consideration. Is there objection?

Mr. CURTIS. Let the joint resolution be read first.

Mr. JONES of Washington. Let us have it read.

The PRESIDENT pro tempore. The Secretary will read the joint resolution.

The joint resolution (S. J. Res. 52) for the relief of the drought-stricken farm areas of New Mexico was read, as follows:

Whereas many sections of New Mexico are impoverished because of a continued drought that has persisted for the past three years, and farmers so affected have borrowed money from all sources until now their credit facilities are exhausted, and they can no longer obtain funds to continue the cultivation of their farms; and

Whereas weather conditions now prevailing in New Mexico point to a very successful year for farming, providing the farmers of these drought-stricken areas can obtain the necessary funds to operate their farms and thereby be able to recuperate their losses caused by repeated crop failures: Therefore be it

Resolved, etc., That the Secretary of Agriculture is hereby authorized, for the spring and fall planting of 1924, to make advances or loans to farmers in the drought-stricken areas of New Mexico, where he shall find that special need exists for such assistance, for the purchase of seed and such other purposes as he may find need for the cultivation of farm lands within the said State, not to exceed in any instance the sum of $6 per acre. Such advances or loans shall be made upon such terms and conditions and subject to such regulations as the Secretary of Agriculture shall prescribe, including an agreement by each farmer to use the money obtained by him for the production of such crops as the Secretary of Agriculture may designate. A first lien on the crop to be produced from money obtained through this loan or advance made under this act shall, in the discretion of the Secretary of Agriculture, be deemed sufficient security therefor. All such loans or advances shall be made through such agencies as the Secretary of Agriculture shall designate, and in no instance shall any portion of funds obtained through the administration of this act be used for the payment of obligations other than those incurred under the regulations as provided by the Secretary of Agriculture in the administration and in accordance with the provisions herein contained.

SEC. 2. That for the purposes of this act there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,000,000, to be immediately available, and not more than $15,000 may be used in the District of Columbia by the Secretary of Agriculture in the administration of this act.

SEC. 3. That any person who shall knowingly make any false representation for the purpose of obtaining a loan or advance under the

foregoing section, upon conviction thereof shall be punished by a fine of not exceeding $1,000 or by imprisonment not exceeding six months, or both.

The READING CLERK. The committee proposes the following amendment:

On page 2, line 1, strike out the words "and such other purposes" and insert the words "feed, food, and for actual farming expenses, not including the purchase of equipment."

Mr. WADSWORTH. Mr. President, from hearing the joint resolution read—and this is the first opportunity I have had to give it any examination—I notice that it carries a direct appropriation. I think the Senator will agree with me that under the rules of the Senate the Committee on Agriculture and Forestry can not report a measure for that purpose.

Mr. HARRISON. Mr. President, I think the Senator is wrong about that. The committee can not report a general appropriation bill, but it can bring out a separate bill carrying an appropriation.

Mr. WADSWORTH. I think I am right about it. I make that observation with all deference. The Committee on Agriculture and Forestry, as well as all other standing committees—the Committee on Appropriations, of course, excepted for the moment—may report a bill authorizing an appropriation, but not a bill making a direct appropriation. The appropriation must come later from the Committee on Appropriations.

Mr. JONES of New Mexico. Mr. President, if the Senator from New York is right about that, of course, I shall have to change the language of the joint resolution, but my understanding was the same as that of the Senator from Mississippi.

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

There being no objection, the Senate, as in Committee on the Whole, proceeded to consider the joint resolution.

Mr. WADSWORTH. Mr. President, may I ask a question or two in connection with this joint resolution? According to my recollection, we have had several of these measures before us in the past, providing for advances from the Government to enable farmers in drought-stricken regions to purchase seed for the planting of the next seeded crop, and in each instance the legislation has sought at least to protect the interest of the Government and to insure, if possible, the repayment of the loan. May I ask the Senator from New Mexico what report, if any, has come from the Department of Agriculture concerning the repayment of this class of loans in other instances?

Mr. JONES of New Mexico. Mr. President, the department has made a report upon that subject, and I can state roughly that the repayments in all these cases have amounted to about two-thirds of the loans themselves.

Mr. WADSWORTH. Is it understood, then, that one-third is lost?

Mr. JONES of New Mexico. In these cases in the past that has been the experience—that is, the collections thus far have averaged about two-thirds. They are not through with the collections, but in one instance Congress specifically directed the department not to proceed further in the collection of the loans.

Mr. WADSWORTH. That is very apt to be the case, of course, and it will be the case in this instance, probably.

Mr. OVERMAN. Mr. President, this money is to buy seed, and what else? The joint resolution states "and such other purposes." What other purposes?

Mr. JONES of New Mexico. The Senator doubtless did not hear the amendment just proposed by the committee. It is to buy seed and food and for actual farming expenses, not to exceed $6 per acre, and the lien is upon the crop. I may say to the Senator that before the committee the matter was gone into at great length, and there never was a more deplorable condition presented to Congress at any time. I have on my table here a mass of telegrams and letters, and we had individuals from New Mexico, who happened to be here, who know all about the conditions there.

Mr. OVERMAN. I do not object to appropriating a little money to buy seed, but what is meant by "other farming expenses"? Are we going into that sort of business here? That is something new.

Mr. JONES of New Mexico. It includes food for the families to keep them from abandoning the farms. It is a question whether this shall be done or the farms abandoned.

Mr. OVERMAN. I think the Senator ought to make it apply to the buying of seeds for the farmers; let them have the seed and go ahead and reseed the farms; but to go into buying food and equipment for the farmers is something unusual. The Senate has never done that, in my recollection.

Mr. JONES of New Mexico. I may say that it was done in 1919, through a fund provided from the war contingent fund, which was put at the disposal of the President.

Mr. OVERMAN. Whenever there is a great flood or earthquake or a great famine the Senate has acted.

Mr. JONES of New Mexico. Mr. President, if I could only picture the conditions down there, the Senator from North Carolina would realize that this is a situation equally as disastrous as any flood or famine could produce. The passage of the joint resolution simply means the survival of these families and keeping their homes.

Mr. OVERMAN. How many people are affected?

Mr. JONES of New Mexico. The number is stated here in the report from the State comptroller of New Mexico. I may say to the Senator that we have had two years of unusual drought. During my nearly 40 years residence in New Mexico there has never been anything to equal it, and not only that drought has occurred but the banking situation there is more perilous than it has ever been in the history of the country. During the last year banks have been failing and failing, and my prediction is that there will be some other failures, although I hesitate to emphasize that.

One of the reasons for this condition is the operation of the financial activities of the Government itself. For instance, under the Federal reserve system the member banks of the eleventh district of this country have reserves of a little over $50,000,000 in that regional reserve bank. That reserve bank has loaned back to the member banks only about $9,000,000, taking away from the country actually over $40,000,000.

In addition to that, the Government has been advertising all over that section of the country, as it has in others, the advisability of investing money in Treasury savings certificates. It has been particularly advertising the sale of those certificates in the communities where these bank failures have occurred. Fortunately, that is not to prevail in the future. I understand the Treasury Department has issued an order that in the Rocky Mountain region of the country this advertising shall cease. The inducement to purchase those certificates has been such as to take from the banks of the country a very large amount of money. The banks have also been trying to give credit and to support the farmers during the last few years of drought. They have gone to their full extent. They can not go any further, and it is just simply now a question of our doing this or requiring those people to abandon their farms.

Mr. OVERMAN. The Senator has not answered my question. How many people are affected?

Mr. JONES of New Mexico. I have here a report of the State comptroller. I wrote to him about the time I introduced the joint resolution and asked him to get me information on that point. He said:

On receipt of your request on January 15 I immediately sent questionnaires to all county treasurers, county assessors, and to agents in counties employing county agents, a copy of which questionnaire is attached hereto.

I have received reports from 29 out of the 31 counties in the State, and in answer to the first question the number of farms reported from 29 counties to have been abandoned total 4,070, and in answer to the second question the number of farmers unable to procure the necessary seed and other absolute essentials for 1924 crops without aid from sources beyond their present control is estimated as being 5,683.

In answer to the third question, information from every county reporting is to the effect that from the standpoint of moisture now in the ground prospects were never better for an abundant crop than they are at this time for 1924. The statements relating to moisture are very emphatic and are all to the same effect as regards prospects for 1924.

A few of the counties reporting do not appear to need any assistance and do not report any farms as having been abandoned, but in the majority of the counties in the eastern section of the State the situation is a little less than desperate so far as it relates to the ability of farmers to procure seed and other essentials for 1924 crop.

Mr. DIAL. How many counties did he mention?

Mr. JONES of New Mexico. Twenty-nine out of 31.

Mr. OVERMAN. I understand, then, that a million dollars is to be appropriated to help out 5,000 farmers, while in Georgia there are 50,000 farmers suffering to-day, and many have left the State on account of the conditions; and that condition obtains all over the South. If we begin this practice every time we have a bad crop, we shall be called upon to furnish not only seed but food and farm equipment. If the Senator wants to have the seed furnished, I am in favor of the joint resolu-

tion, because the precedent has been set; but this is going further than we have ever gone, as I understand it.

Mr. JONES of New Mexico. I wish to present this one particular instance and situation. From one valley in New Mexico in 1921 there were shipped out over two and a half million dollars' worth of beans. In 1922 and 1923 not enough beans were raised to supply seed, and the Senator can well appreciate the situation in that section of the State.

Mr. OVERMAN. I am willing that we shall furnish seed for them.

The PRESIDENT pro tempore. The Chair ought to state at this point that in the opinion of the Chair the Senate is considering the joint resolution under Rule VIII, and discussion is limited to five minutes.

Mr. WADSWORTH. Will the Senator from New Mexico yield a moment?

Mr. JONES of New Mexico. Gladly.

Mr. WADSWORTH. With considerable display of self-confidence the Senator from New York a little while ago asserted that it was against the rules of the Senate for the Committee on Agriculture and Forestry to report this measure with a direct appropriation. I hasten to say that I was wrong in that statement. But may I suggest to the Senator that it would be better to amend it in the way I have indicated, because the House of Representatives will utterly decline to consider its reference to and handling by other than the Committee on Appropriations of the House? So it is a fact, although it is not a part of our rules, that the standing committees of the Senate, with the exception of the Claims Committee, as I understand it, have adopted the practice of authorizing an appropriation, rather than directly making it in a bill.

Mr. HARRISON. If the Senator will yield, I do not think the Committee on Agriculture and Forestry has established any such custom as that. I know that to-day a bill was reported out of the Committee on Agriculture and Forestry by the Senator from North Dakota [Mr. LADD] which carries an appropriation of $75,000,000 for the farmers of the country.

Mr. WADSWORTH. A direct appropriation?

Mr. HARRISON. A direct appropriation.

Mr. WADSWORTH. I only know that the House of Representatives will not permit their Committee on Agriculture to take jurisdiction over it.

Mr. HARRISON. The Senate Committee on Agriculture and Forestry did not want the House Committee on Agriculture to direct what it should do. It thought it should adopt its own policy, and so it has adopted the policy of making appropriations in separate bills.

Mr. LENROOT. Will the Senator yield?

Mr. JONES of New Mexico. I gladly yield.

Mr. LENROOT. Of course, the principal effect would be that the House would amend the joint resolution by cutting out the direct appropriation and making an authorization, and the amendment would come back to the Senate for such consideration as the Senate might choose to give it.

Mr. JONES of New Mexico. I presume that would not delay the matter, but would give me a chance, at least, in the House, and let it go through the Senate as it is and be settled in conference. I believe I would like to have it passed in its present form and take chances on the procedure in the House.

Mr. WADSWORTH. The junior Senator from Ohio [Mr. FESS] reminds me that it is not only against the practice of the House, but it is against their rules, and that a point of order will lie against the joint resolution in the House if the Committee on Agriculture and Forestry in that body attempts to handle it. If the Senator is in a hurry and wants to get his legislation through both Houses as rapidly as possible, it would be better to make the measure conform to the House rule while it is in the Senate.

The PRESIDENT pro tempore. The Secretary will report the committee amendment.

The READING CLERK. On page 2, line 1, the committee proposes to strike out the words "and such other purposes" and insert after the word "seed" the words "feed, food, and for actual farming expenses, not including the purchase of equipment."

The PRESIDENT pro tempore. The question is upon agreeing to the amendment.

Mr. NORRIS. Mr. President, I want to say just a word about a direct appropriation and an authorization for one. It is probably useless now, because the Senator from New York concedes that his idea was erroneous, but we had that matter up and discussed that very point. I do not think there can be any question but that the Senate has the right to make a direct appropriation in an original bill of this kind if they want to. It is a question of policy, however, whether it is wise to do it or not, which always arises, but as a rule I think the Committee on Agriculture and Forestry makes an authorization instead of a direct appropriation. We felt this was an emergency measure, and I want to say in answer to the suggestions that have been made by the Senator from North Carolina that this bill does go further than the precedents of the Senate.

I do not want to have the Senate vote on it with any misunderstanding. The precedents limited this kind of an appropriation to the purchase of seed for farmers. Originally the Committee on Agriculture and Forestry amended such measures so as to confine them to that purpose, but upon further hearings we became convinced that the object desired to be accomplished could not be accomplished in this particular case. The very bill to which the Senator has referred is likewise an emergency measure, reported to-day by the Senator from North Dakota [Mr. LADD].

The committee feel, and I think I am safe in saying that they feel that way unanimously—every member at least who was present and heard the testimony—that in these cases it has been established that an emergency exists in each case, and that the particular localities are in worse condition than the ordinary condition of agriculture in most of the country, particularly in the great wheat-growing belt, although it is going a good ways to say that, because everybody knows that the condition is almost beyond belief. But the committee did feel that there was a reason shown here why the mere buying of seed would not bring proper relief, but that the people themselves in some instances will have to be supplied with food. It will be necessary to get some food to feed their animals that it is necessary to keep on the farm in order to harvest their crops.

The Senator from New York [Mr. WADSWORTH] referred to the amount that would be lost in cases of this kind and referred to the previous legislation. The results of similar legislation have varied a great deal. There are instances where the amounts have been practically all paid back. There are other localities where practically nothing has been paid back. It has not been, so far as I have been able to ascertain, from any lack of administration. The department has done its very best to see that the favors were properly extended to needy cases. I think it will be plain to the Senator from New York that when we furnish money to a drought-stricken section for the purpose of enabling the farmers to buy seed with it the only security they give and the only security that the act contemplates is on the crop that is expected to be raised from the seed that is purchased for them. They have no other security in many of these localities, and not only these localities, so far as that is concerned, but in the greater portion of the agricultural section of the country.

If it should happen, in a locality where seed has been purchased by the Government in that way, that the year following would be a crop-failure year, as it has happened in some instances in the past, the money would not be returned. There would not be any way for the farmer to get the money to make the payment.

Mr. WADSWORTH. Mr. President, will the Senator yield at that point?

Mr. NORRIS. Certainly.

Mr. WADSWORTH. Would it not then be the duty of the Government to lend him the money again?

Mr. NORRIS. It might be. Of course, if it came to a proposition where that question was presented we would have to pass on it. But it is perfectly evident in this case, if the drought-stricken portion of New Mexico is to be supplied with seed in this way and the year should be followed with another drought as complete as they have had in the last two years, the money would be lost. I do not want the Senate to vote on the proposition under any misunderstanding. The facts are, as I understand them, that there have been very few, if indeed there have been any, instances where money of this kind has been lost through the dishonesty of the men who borrowed the money. They have always paid if they produced the crop and could pay. Of course, if they have nothing to market except the crop, and the crop fails, they can not pay. We felt that under the circumstances the Government of the United States could afford to take that risk. We will lose some of it, very likely. If they have a good crop we will probably lose nothing. If there is a loss here and there it will be made up by the interest that is paid on the loans at 6 per cent.

Of all of the loans in all the acts, and in the case of the money that was set aside by President Wilson from his $100,000,000 fund, and of loans that have been made in similar cases, 66⅔ per cent, in round numbers, has been repaid. There will be some more paid; although I want again to be fair with the Senate and say that in my judgment it will not be much, be-

cause, so far as I know, in all instances where failure has resulted it has been because the locality has had another drought and they did not raise anything from the seed that were planted, so they are suffering worse than we are.

Mr. WADSWORTH and Mr. JONES of New Mexico addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield first to the Senator from New York.

Mr. WADSWORTH. I have forgotten the provisions of some of the former measures which were reported perhaps when I was on the Committee on Agriculture and Forestry, of which the Senator from Nebraska is chairman. Does the recipient pay interest?

Mr. NORRIS. Yes.

Mr. WADSWORTH. At what rate.

Mr. NORRIS. Six per cent. The Senator must understand that the money has been loaned in one or two instances where it was not authorized by an act of Congress. It will be remembered that we set aside $100,000,000 and gave President Wilson complete control over it, and out of that $100,000,000 he set aside funds, I think in two instances, to make loans like this under regulations for the purpose of buying seed. There has been a greater loss in those cases, I think, than in others.

I now yield to the Senator from New Mexico.

Mr. JONES of New Mexico. I will recall to the Senator's recollection the testimony of Mr. Warburton before the committee this morning that in 1919, when loans were made to the farmers of New Mexico, loans of the very character which this resolution provides for, there were practically no losses and no loan since that time has been made to the people of New Mexico. It is not a State of one particular crop. The crops will vary according to the localities in the State. I feel very proud, indeed, of the record which New Mexico made in 1919. Mr. Warburton stated the losses on the loans made then were inconsequential, or words to that effect.

Mr. NORRIS. I do not want anyone to get the idea that in any locality, whether they fail or not, there is any dishonesty or corruption chargeable to the men who get the money or to the people who administer. If it was lost, it was lost because of an act of God, because they failed to produce a crop. It may be said that in some of those places perhaps they ought not to be trying to produce crops. There may be something in that. But I confess when it comes from almost any of these localities in a new country, undeveloped to a great extent, where they are afflicted with drought oftener than other localities and they still remain there and work and toil, that I do not feel, as a Member of the legislative body, that I have the heart to turn down an application of that kind. If they want to run the risk, and they are running more risk than we are, I think we can afford to let them try.

In this particular case I think while we are going a little further than we have gone in other cases, and it really establishes a new precedent that I rather dislike to establish and I admit it, yet the indications now are that next year will be a good crop year. They have had, in the localities where it is proposed to loan this money, two years in succession of failure of crop on account of drought, one year a complete failure and the other year a failure where on the average they did not get back the seed they planted. As I said, if that is followed by a third year of drought we will lose all of this money, in my judgment.

But the indications now are that in this locality they have an oversupply of snow and moisture, which indicates, and all present indications are, that they will have a very prosperous year this year. I doubt whether some of the people would have asked this—they would have quit if it had not been for that favorable condition—but it looks now, as far as we are able to see, as though they will have a big crop next year, because they can gauge somewhat the moisture they get by the amount of the snowfall, and up to this time it has been beyond the average.

We are confronted with this proposition. In the face of what seems to be a favorable year, should we turn our backs upon these people, it means that they are absolutely ruined in most cases and driven from the country.

Mr. DIAL. Mr. President——

Mr. NORRIS. I yield to the Senator from South Carolina.

Mr. DIAL. What is the difference between this case and the boll-weevil infestation of the South? There the boll weevil has been upon our land not for one year but several years, and many of our people have been entirely put out of business. Within the last few years over 9,000 farmers of South Carolina have given up their farms. Now, suppose we should introduce a bill here to lend money to those people to raise cotton under boll-weevil conditions, could we get the support of the Senator?

Mr. NORRIS. No. I will be frank with the Senator.

Mr. DIAL. They are parallel cases.

Mr. NORRIS. I do not think so. I would not favor appropriating the public money to have the people plant cotton where they know in advance they can not produce a crop of cotton. It is not like this case, although it has some similarity, I confess. If the indications were that they could not have a crop next year in New Mexico, or that they had crop failures regularly, right along, I think we would be more merciful if we quit at once. But they have not been having failures in those sections. The evidence before the committee shows there never has been an instance where two years in succession they have had such a terrible drought as they have had in the last two years. I would be just as merciful to the cotton man if it could be shown that the chances for a crop of boll weevil or some similar pest could be avoided in some way, and they would thus come within the same class.

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

Mr. NORRIS. Certainly.

Mr. CARAWAY. I have no objection to the Senator's joint resolution, but I remember that a cyclone struck our country and blew everything away that the nigger had except his cellar. I introduced a bill to provide a small appropriation to give him seed so he could make a crop and I could not get a vote on it in the committee.

Mr. NORRIS. I know that other cases can be cited.

Mr. CARAWAY. Did not that occur?

Mr. NORRIS. Yes; probably it did. I do not have any recollection of it now.

Mr. CARAWAY. The Senator is chairman of the committee.

Mr. NORRIS. I presume it happened, but there have been so many propositions turned down by the committee that I do not remember all of them.

I want to give an instance. In my State a few years ago there was a cyclone that went through a portion of it and struck the city of Omaha. I was there a few days later and I never in my life saw such devastation. I know the question came up at once whether it would not be a good thing to introduce a resolution here to see if we could not get some relief, but after considering it and talking with the people directly interested I declined to introduce a resolution in their behalf. The suffering in that instance was probably worse than in the case under consideration, but they were surrounded by people who were still prosperous in the same community, who had not been injured, and there was a great deal of relief that came in that way that will not come to these people in New Mexico.

Mr. CARAWAY. May I call the Senator's attention to the fact that when Salem, Mass., burned Congress did give money to that city?

Mr. NORRIS. I do not know about that, but I presume that is so.

Mr. CARAWAY. I am informed about it, for I was in the other House when it occurred. I am just thinking that sometimes the same beneficent hand does not rest on all sections of the country.

Mr. NORRIS. I agree with the Senator as to that.

Mr. CARAWAY. In the case to which I have just called the attention of the Senate all those negroes down there were wiped out and they did not have anything in the world but harrows with which they could work. They wanted to get a few thousand dollars to buy seed with which to plant a crop, but the proposition was promptly turned down. The negroes went to Michigan and are voting up there, for the Republican Party, of course.

Mr. NORRIS. I myself have not any objection as to how they vote, but I think it is quite evident that in a case of that kind——

Mr. OVERMAN and Mr. STANFIELD addressed the Chair.

Mr. NORRIS. I do not yield. Allow me to say a word in reference to what the Senator from Arkansas [Mr. CARAWAY] has said.

Mr. STANFIELD. Mr. President——

Mr. NORRIS. I am not yielding just now, Mr. President.

I am not criticizing anyone, and I am not denying that there are other instances where we have refused to give relief where we should have given it; that may be, and there may be others coming; but I submit there is considerable difference between this case and the case of a tornado, however destructive it might be, that would blot out merely a small section, comparatively speaking, which was surrounded by prosperous people, who would be able to come and who would always come

to the relief of their neighbors. If in this instance the suffering was caused by hailstorm or something of that kind and was confined to a township or other small subdivision, I should not be in favor of the pending measure; but these people can not get relief from their neighbors, for they are all in the same boat.

It may be, if we desired to be technical, that these people would not have any standing here. I have, of course, no interest in the matter personally, but it appeals to me that under all the circumstances we are justified in doing what the joint resolution provides shall be done.

Mr. DIAL. Mr. President, I desire to ask the Senator from Nebraska a question.

Mr. NORRIS. Very well.

Mr. DIAL. Have these people appealed to their State government for relief?

Mr. NORRIS. I do not know; but the disaster covers such a large portion of the State that I do not have the remotest idea that such an appeal would be of any value to them. Now I yield to the Senator from Oregon.

REPORT OF THE BOARD OF ACTUARIES OF THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND (S. DOC. NO. 32).

Mr. STANFIELD. Out of order, I desire to say there has been sent to the Senate by the action of the Secretary of the Interior the third annual report of the Board of Actuaries of the Civil Service Retirement and Disability Fund, which has to do with the operation of the act for the retirement of employees of the classified civil service. The report is important and should be printed. I therefore ask unanimous consent that 2,000 copies of the report may be printed.

Mr. NORRIS. I hope we shall not take up another matter until we have disposed of the pending measure.

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

Mr. NORRIS. I ask the Senator to wait until the pending measure shall have been disposed of.

Mr. STANFIELD. This is an important matter; the report has been before the Senate for a number of days, and I have waited here during the oratorical display which we have had to-day in the Senate, hoping the opportunity might come when I could make this request.

Mr. NORRIS. But the Senator from Oregon, perhaps, has not observed that we have a joint resolution before us now. Let us dispose of it, and then I shall not object to his request.

Mr. STANFIELD. I am asking for unanimous consent.

Mr. NORRIS. I understand that, but there is another measure pending. When we get half through with that one, something else comes up.

Mr. STANFIELD. I should like to remind the Senator from Nebraska that there are but few Senators in this Chamber who occupy less time than I do.

Mr. NORRIS. I am not complaining about that.

Mr. STANFIELD. I am chairman of the committee, and I am asking for the consideration of this matter. It will take but a moment, if the Senator from Nebraska will yield.

Mr. NORRIS. I do not know as to that. The pending matter is about disposed of, and I think the Senator will have to wait but a moment until it shall be out of the way.

Mr. STANFIELD. If there is any objection, I will not press the request, of course.

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

Mr. NORRIS. I will ask the Senator to state his request again.

Mr. STANFIELD. I am asking for the printing of 2,000 copies of the third annual report of the Board of Actuaries of the Civil Service Retirement and Disability Fund.

Mr. NORRIS. I have no objection to that. I thought the Senator desired the report taken up.

Mr. MOSES. Will not the Senator from Oregon modify his request and ask to have the report printed as a Senate document? Then orders can be made for the printing of additional copies if needed. It would require a regular resolution of the Senate in order to print more than the usual number of copies of the report.

Mr. STANFIELD. I should like to state to the Senator from New Hampshire that there are a number of organizations which are interested in this report.

Mr. MOSES. The Senator can obtain orders for the printing of additional copies of the report, but if he asks for the printing of 2,000 copies of the report now it will require a regular resolution of the Senate to do it. If he asks unanimous consent to have the report printed as a Senate document, he will get under the printing act the usual number of copies printed, namely, 1,340. Then the Senator can subsequently obtain orders for the printing of additional copies; but he can not ask unanimous consent for the printing of 2,000 copies.

Mr. STANFIELD. Then I modify my request to conform to the suggestion of the Senator from New Hampshire.

The PRESIDENT pro tempore. The question is upon agreeing to the amended request of the Senator from Oregon. He now asks unanimous consent that there be printed as a Senate document the report submitted by him. Is there objection to the request of the Senator from Oregon? The Chair hears none, and the letter from the Secretary of the Interior, dated January 19, 1924, transmitting the third annual report of the Board of Actuaries of the Civil Service Retirement and Disability Fund, together with said report, will be printed as a document.

RELIEF OF AGRICULTURAL DISTRESS IN NEW MEXICO.

The Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. Res. 52) for the relief of the drought-stricken farm areas of New Mexico.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee. The Chair announces that he will enforce the five-minute rule during the debate on the joint resolution.

Mr. BURSUM. Mr. President, I desire to concur in all that my colleague [Mr. JONES of New Mexico] has said about the necessity of passing the joint resolution at this time. It is an emergency measure; there is widespread distress among the farmers in New Mexico. What the Senator from Nebraska [Mr. NORRIS] has said about moisture and the possibilities of a crop this year is true. Our farmers have contended with a very serious drought for three years. For three consecutive years they have furnished their own capital and have bought seed until they have exhausted their credit, and now there is no source from which credit may be obtained. There are several counties in the State of New Mexico to-day where there is not a single bank open; they have all closed; they are in the hands of receivers; and there is no place and no source from which farmers can obtain credit. I agree that under the circumstances, even though the money appropriated would be lost, it would not be amiss nor would it be out of order or improper to make the appropriation.

We have appropriated millions and millions of dollars in behalf of the citizens of foreign countries, with no expectation of return, but in this case and at this time it is my opinion that the Government will not lose one dime on every dollar that is advanced to the farmers in New Mexico, for the reason that when we do have crops in the dry-farming sections the yield is generally very large and profitable, and the prospects at this time are that we will have a good yield this year.

The passage of this joint resolution will give the farmer a chance. He is willing to stay by his land and stick by his home, to risk his work and hazard his time. He is the man who has the greatest investment and the man who hazards the greatest loss as well as takes the greatest chance. I hope that the joint resolution will pass. It is a worthy resolution and it is in behalf of a worthy cause. I know of no better way in which Congress can give aid than to help the farmer get along and make ends meet.

Mr. DIAL. Mr. President, if this joint resolution were to pass it would establish a precedent which would go further than we have ever gone in this direction. I am not willing for it to pass now, it being so late in the day that there are few Senators in the Chamber. I do not care to make a speech on the subject, but I ask my friend from New Mexico to let the joint resolution go over. I do not desire to call for a quorum; it is late in the day; but I am not willing that such a precedent shall be established now without the Senate knowing what it is doing and without a larger attendance being here. I do not mean to say that we who are here do not know what we are doing, but without the membership of the Senate having an opportunity to inform itself upon such a departure in legislation, I do not think it should be passed.

I sympathize greatly with the people, and I dislike very much to oppose any measure presented by my good friend the Senator from New Mexico, or to oppose any measure designed to help New Mexico, but I am not prepared to vote for this joint resolution now, and I ask that it go over; otherwise I shall have to suggest the absence of a quorum.

The PRESIDENT pro tempore. The Chair is of the opinion that the joint resolution having been taken up by unanimous consent, can not now be put over by a single objection.

Mr. DIAL. I object to its further consideration, Mr. President.

Mr. JONES of New Mexico. Mr. President, I hope the Senator from South Carolina will not insist upon calling for a quorum. If we are to get any relief under the joint resolution, it is necessary that the measure be passed at once. As I under-

stand, it is the purpose of the Senate to adjourn over until Monday, and the joint resolution must pass the House. I am perfectly willing for the Senator to record his objection to the joint resolution, but it seems to me that in fairness there ought not to be any insistence upon procedure which will necessarily put the joint resolution over until next week.

Mr. DIAL. I would do almost anything in the world the Senator from New Mexico might ask me, but I must do my duty to the taxpayers of this country. I can not let such a precedent be established unless the Senate has an opportunity to vote on it, and I object to the further consideration of the bill.

Mr. McNARY. Mr. President, I rise to a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Oregon rises to a parliamentary inquiry, which he will state.

Mr. McNARY. My understanding is that this joint resolution was presented with a request for unanimous consent for its immediate consideration. I think I am correct in that statement.

The PRESIDENT pro tempore. The parliamentary situation is somewhat involved, but the Chair may state that under the unanimous-consent agreement the calendar was to be taken up immediately upon the conclusion of the discussion upon the Denby resolution. When the calendar was taken up the Senator from New Mexico asked unanimous consent to proceed to the consideration of this particular joint resolution. In the opinion of the Chair the granting of that consent relieved the joint resolution from the consequences of Rule VIII in so far as the consent was inconsistent with Rule VIII; and it is the opinion of the Chair therefore that the joint resolution is before the Senate and can not be disposed of by a single objection.

Mr. JONES of New Mexico. Mr. President, I understand that I could insist upon a vote; but, of course, the Senator from South Carolina has the right to insist upon a quorum, and I feel that the call for a quorum at this hour would make it impossible to transact any further business, even the executive business which the Senator from Kansas has indicated he would like to transact. Under the circumstances I do not see that we can take any other course than to allow the joint resolution to take its place upon the calendar.

The PRESIDENT pro tempore. The Chair understands, then, the Senator from New Mexico asks unanimous consent that the joint resolution shall take its regular place upon the calendar.

Mr. DIAL. Mr. President, so many Senators have left the Chamber, not thinking that any legislative matter would come up, that I feel it is not fair to press the joint resolution at this time. I am taking no advantage whatever of my friend, and I would have no objection in the world to the joint resolution being considered on Monday and coming to a vote, but I can not consent to establishing this precedent with such a small attendance present.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from New Mexico as stated by the Chair? The Chair hears none, and the joint resolution is placed on the calendar in its regular order.

PEARL RIVER BRIDGE, MISSISSIPPI.

Mr. HARRISON. Mr. President, there is on the calendar a bill, being Order of Business No. 92, which merely gives the consent of Congress to construct a bridge. I ask unanimous consent for the present consideration of House bill 657.

The PRESIDENT pro tempore. The Senator from Mississippi asks unanimous consent for the immediate consideration of House bill 657. Is there objection?

Mr. CURTIS. Is it an ordinary bridge bill?

Mr. HARRISON. It is an ordinary bridge bill.

Mr. CURTIS. Then I have no objection.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 657) granting the consent of Congress to the boards of supervisors of Rankin and Madison Counties, Miss., to construct a bridge across the Pearl River in the State of Mississippi, which was read as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the boards of supervisors of Rankin and Madison Counties, Miss., to construct, maintain, and operate a bridge and approaches thereto across the Pearl River at a point suitable to the interests of navigation at Meeks Ferry, in the State of Mississippi, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

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

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

RED RIVER BRIDGE.

Mr. CARAWAY. Mr. President, I have a bridge bill on the calendar, Senate bill 1837. I should like to have it taken up and passed at this time. It is Order of Business No. 90.

Mr. CURTIS. I understand from the Senator that it is a bridge bill?

Mr. CARAWAY. Yes.

Mr. CURTIS. There is no objection to its consideration.

The PRESIDENT pro tempore. The Senator from Arkansas asks unanimous consent that the Senate proceed to the consideration of Senate bill 1837. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1837) granting the consent of Congress to the Fulton Ferry & Bridge Co. to construct a bridge across the Red River at or near Fulton, Ark., which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Fulton Ferry & Bridge Co., and its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Red River at a point suitable to the interests of navigation, at or near Fulton, Ark., in the counties of Miller and Hempstead, in the State of Arkansas, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

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

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

EDWIN DENBY, SECRETARY OF THE NAVY.

The Senate resumed the consideration of the resolution (S. Res. 134) submitted by Mr. ROBINSON January 28, 1924, as modified by him.

EXECUTIVE SESSION.

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

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 37 minutes p. m.) the Senate adjourned until Monday, February 4, 1924, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate February 1, 1924.

UNITED STATES DISTRICT JUDGE.

Lake Jones, of Florida, to be United States district judge, southern district of Florida. (An additional position created by the act approved September 14, 1922.)

PROMOTIONS IN THE REGULAR ARMY.

To be colonel.

Lieut. Col. George Doane Freeman, jr., Infantry, from January 23, 1924.

To be first lieutenant.

Second Lieut. Clarence Archibald Frank, Infantry, from January 23, 1924.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

FIELD ARTILLERY.

First Lieut. Roy Alphonso Carter, Infantry, with rank from July 1, 1920.

COAST ARTILLERY CORPS.

Second Lieut. John Harry, Field Artillery, with rank as prescribed by the act of June 30, 1922.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 1, 1924.

BUREAU OF FISHERIES.

Lewis Radcliffe to be deputy commissioner.

POSTMASTERS.

CALIFORNIA.

Walter M. Brown, Turlock.

ILLINOIS.

William M. Rentschler, Allendale.
Arthur C. Lueder, Chicago.
Hugh F. Britt, Olmsted.
David R. Bennett, Panama.

Elva B. Towler, Shobonier.
Leo W. Ruedger, Thawville.
Frank M. Maus, Watseka.

IOWA.

Lucie A. Lloyd, Remsen.

KENTUCKY.

Ola Barbee, Adairville.
Anna M. Sisk, Allensville.
Achsa Kinnett, Augusta.
David N. Welch, Berea.
May E. Wilson, Columbia.
Ransomi B. Martin, Hartford.
George R. Warren, Lexington.
Ira C. Byerley, Paducah.
Edward F. Davis, Williamsburg.

NEW JERSEY.

Ralph H. Hulick, Browns Mills.
Thomas Post, Midland Park.
Arthur F. Jahn, Ridgefield.
Herman H. Ahlers, Weehawken.

NORTH DAKOTA.

Peder T. Rygg, Fairdale.
George C. Gray, Wilton.

OKLAHOMA.

Hugh M. Tilton, Anadarko.
Thomas G. Rawdon, Paden.
William E. Watson, Quinton.

PENNSYLVANIA.

Russell M. Hartman, Arnold.

RHODE ISLAND.

Thomas D. Goldrick, Pascoag.

SOUTH CAROLINA.

Katherine L. Buckley, Moultrieville.
John A. Chase, Florence.

SOUTH DAKOTA.

Louis W. Carter, Highmore.
Elmer R. Hill, Newell.
Inez G. Jones, Oelrichs.
Hugh H. Gardner, Ree Heights.
Bertha G. Moen, Toronto.
Jennie D. Hansen, Valley Springs.
Jessie A. Gerrits, Wentworth.

TENNESSEE.

Peter Cashon, Dukedom.
Joe N. Wood, Ridgely.

WASHINGTON.

Jacob H. Berge, Davenport.

HOUSE OF REPRESENTATIVES.

FRIDAY, *February 1, 1924.*

The House met at 12 o'clock noon.

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

O Lord, when we recall our preservation in the midst of peril and changes, and are reminded of Thy guidance through hardship, it is difficult for us to be ungrateful. Keep us in the spirit of the deepest realization that our assignment to these halls means larger privilege, larger opportunity, and therefore larger responsibility. Help us each day to put our intelligence, our power of will, and our strength of moral earnestness into our tasks until our very hearts burn with joy. May our ideals of government and emancipation from all wrong receive their vision and their true explanation from the attitude of the Man of Galilee toward all rich and poor, high and low. Be a refuge this day for all of us, and may our labors and associations augment our conception of the fatherhood of God and the brotherhood of man. Through Christ. Amen.

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

LEAVE OF ABSENCE.

By unanimous consent, Mr. MOORE of Illinois was given leave of absence for three days on account of important business.

LEASES OF NAVAL OIL LANDS.

Mr. LONGWORTH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 54 and consider the same, and in that connection I ask unanimous consent that debate be limited to 30 minutes, one-half to be controlled by the gentleman from Tennessee [Mr. GARRETT] and one-half by myself.

The SPEAKER. The gentleman from Ohio asks unanimous consent to take from the Speaker's table Senate Joint Resolution 54, of which the Clerk will report the title.

The Clerk read the title, as follows:

Joint resolution directing the President to institute and prosecute suits to cancel certain leases of oil lands and incidental contracts, and for other purposes.

The SPEAKER. The gentleman from Ohio asks unanimous consent for the present consideration of the resolution, and that debate be limited to 30 minutes, one-half to be controlled by himself and one-half by the gentleman from Tennessee [Mr. GARRETT]. Is there objection?

Mr. HOWARD of Nebraska. Mr. Speaker, I want to object to the limit of debate only.

Mr. GARRETT of Tennessee. How much time does the gentleman from Nebraska desire on the matter?

Mr. HOWARD of Nebraska. I may not desire any time, but there are many here who may.

Mr. LONGWORTH. Mr. Speaker, it seems to me that under the circumstances there is no necessity for prolonged debate on this question. The resolution was passed unanimously by the Senate and I have no question in the world but that it will pass unanimously here. What I would like to avoid would be protracted debate, and particularly I would like to avoid to-day any question of partisanship coming into the consideration of this resolution. Most disquieting rumors have reached us of the grave condition of an ex-President of the United States. I think under the circumstances it would be, to say the least, extremely bad taste that any partisan question should be brought into the debate. It is a simple resolution, we are all for it, and let us get this thing behind us.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. LONGWORTH. Certainly.

Mr. GARRETT of Tennessee. Were there any amendments put on the original resolution?

Mr. LONGWORTH. None except a technical amendment.

Mr. GARRETT of Tennessee. I would like to get some printed copies for Members. I have a Senate copy myself.

Mr. LONGWORTH. I will call the gentleman's attention to the fact that in the first line, after the word "institute," the words "and prosecute" have been inserted.

Mr. RAKER. Let me call the gentleman's attention to the fact that on page 1756 of the RECORD the resolution is printed as amended and passed.

Mr. GARRETT of Tennessee. Mr. Speaker, so far as I am personally concerned I have no objection to limiting the time as suggested by the gentleman from Ohio. I have conferred with some of the members of the Public Lands Committee who would have jurisdiction, and I suggest if it would be agreeable to the gentleman from Nebraska that we have 20 minutes on a side.

Mr. HOWARD of Nebraska. Mr. Speaker, in view of the great shadow that may fall upon this House within a few hours, as stated by the gentleman from Ohio, I am quite willing that there should be no debate at all, and I withdraw my objection.

Mr. LONGWORTH. I am perfectly willing that there should be no debate. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate Joint Resolution 54 and consider the same, and I ask unanimous consent that the previous question be considered as ordered on the resolution.

The SPEAKER. The gentleman from Ohio asks unanimous consent that Senate Joint Resolution No. 54 be considered without debate and that the previous question be considered as ordered. Is there objection?

Mr. JOHNSON of Washington. Reserving the right to object, I observe that this resolution contains a number of whereases. What chance is there going to be for Members of the House to have the information that—

said leases and contracts were entered into without authority on the part of the officers purporting to act in the execution of the same for the United States and in violation of the laws of Congress.

Mr. LONGWORTH. I will say to the gentleman that if I was considering the question ab initio I would not be quite satisfied with one or two of the whereases; but they have nothing to do with the resolution proper.

Mr. JOHNSON of Washington. I agree that if we undertake to debate this question we might be here for some time; but I beg to submit that the several "whereas" clauses are of the snap-judgment order.

Mr. LONGWORTH. Let me say that a number of amendments were introduced in another body and they all failed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. LINEBERGER. Reserving the right to object, there are several categorical statements of fact contained in the resolution the reasons for which many of us would like to have explained in order to vote intelligently. I realize that the nominal majority in the other body is in the minority the same as the nominal majority here is in the minority, but I do not think an important resolution like the one before us and upon which we are asked to vote should be put without some serious consideration. We certainly do not wish to commit ourselves to the various "whereas" statements in the resolution unless we believe them to be founded in fact. The mob psychology and partisan prejudice which seeks to condemn and punish without a fair hearing and trial is all too prevalent at this moment. I shall vote for the resolution, but in so doing I do not commit myself to any future action except as based on the facts and my conscientious convictions.

Mr. ABERNETHY. Mr. Speaker, if there is going to be any debate on it——

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the resolution, as follows:

Joint resolution (S. J. Res. 54) directing the President to institute and prosecute suits to cancel certain leases of oil lands and incidental contracts, and for other purposes.

Whereas it appears from evidence taken by the Committee on Public Lands and Surveys of the United States Senate that certain lease of naval reserve No. 3, in the State of Wyoming, bearing date April 7, 1922, made in form by the Government of the United States through Albert B. Fall, Secretary of the Interior, and Edwin Denby, Secretary of the Navy, as lessor, to the Mammoth Oil Co., as lessee, and that certain contract between the Government of the United States and the Pan American Petroleum & Transport Co., dated April 25, 1922, signed by Edward C. Finney, Acting Secretary of the Interior, and Edwin Denby, Secretary of the Navy, relating, among other things, to the construction of oil tanks at Pearl Harbor, Territory of Hawaii, and that certain lease of naval reserve No. 1, in the State of California, bearing date December 11, 1922, made in form by the Government of the United States through Albert B. Fall, Secretary of the Interior, and Edwin Denby, Secretary of the Navy, as lessor, to the Pan American Petroleum Co., as lessee, were executed under circumstances indicating fraud and corruption; and

Whereas the said leases and contract were entered into without authority on the part of the officers purporting to act in the execution of the same for the United States and in violation of the laws of Congress; and

Whereas such leases and contract were made in defiance of the settled policy of the Government, adhered to through three successive administrations, to maintain in the ground a great reserve supply of oil adequate to the needs of the Navy in any emergency threatening the national security: Therefore be it

Resolved, etc., That the said leases and contract are against the public interest and that the lands embraced therein should be recovered and held for the purpose to which they were dedicated; and

Resolved further, That the President of the United States be, and he hereby is, authorized and directed immediately to cause suit to be instituted and prosecuted for the annulment and cancellation of the said leases and contract and all contracts incidental or supplemental thereto, to enjoin the further extraction of oil from the said reserves under said leases or from the territory covered by the same, to secure any further appropriate incidental relief, and to prosecute such other actions or proceedings, civil and criminal, as may be warranted by the facts in relation to the making of the said leases and contract.

And the President is further authorized and directed to appoint, by and with the advice and consent of the Senate, special counsel, who shall have charge and control of the prosecution of such litigation, anything in the statutes touching the powers of the Attorney General of the Department of Justice to the contrary notwithstanding.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the resolution.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were 120 ayes and 4 noes.

So the joint resolution was passed.

On motion of Mr. LONGWORTH, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

ENROLLED JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

The Committee on Enrolled Bills report that this day they had presented to the President of the United States, for his approval, the following joint resolution:

H. J. Res. 151. Extending the time for the final report of the joint congressional committee created by the agricultural credits act of 1923.

HARRY F. SINCLAIR.

Mr. FISH. Mr. Speaker, I present the following resolution, which I send to the desk and ask unanimous consent for its present consideration.

The SPEAKER. The gentleman from New York presents a resolution, which the Clerk will report.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that Harry F. Sinclair be requested through official channels to return to the United States forthwith to testify regarding the proposed cancellation of the Teapot Dome oil leases, produce the books of the Hyva Corporation, and explain to Congress and the American public the $25,000 loan to ex-Secretary Fall, and other matters affecting the sordid revelations developed by the Senate committee investigating the so-called Fall oil leases.

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

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, let me suggest this, for the consideration of the gentleman from New York [Mr. FISH]: This is an investigation that is in progress before a committee of the Senate. Of course, I do not want to be placed in the position of opposing this resolution, but it occurs to me that as a matter of propriety, if the Senate committee desires the testimony of Mr. Sinclair, the initiative in a proceeding of this sort should come from the Senate. I make that suggestion for the gentleman's consideration. It is not a committee of the House that is asking for him to appear.

Mr. FISH. Let me point out to the gentleman that we have just passed a resolution providing for criminal and civil action, to be instituted by the President in the courts, and this is a logical sequence, to bring that gentleman (Harry F. Sinclair) home to appear before the courts, for without him the proceedings would be a farce or be delayed indefinitely.

Mr. GARRETT of Tennessee. Yes; but the resolution we have just passed is not a resolution affecting the procedure in either the House or the Senate. It is a resolution authorizing the executive department to act, and, of course, if they want his testimony they will take the steps themselves. What I am thinking about is the courtesy that should prevail between the two Houses. We have no House committee making an examination into this matter. I do not propose to take the responsibility of objecting to the consideration of this resolution, but it seems to me that it is a matter that might very well address itself to gentlemen on the majority side.

Mr. UNDERHILL. Mr. Speaker, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes; with the permission of the gentleman from New York [Mr. FISH] I yield.

Mr. UNDERHILL. If the gentleman does not care to yield, I merely want to say that we have played enough politics here for a while, and I am going to object to this request for unanimous consent.

Mr. GARRETT of Tennessee. Oh, if the gentleman will pardon me, he has misunderstood. I said that I would yield with the permission of the gentleman from New York [Mr. FISH], because the gentleman from New York has the floor. I am not refusing to yield.

Mr. UNDERHILL. I object.

The SPEAKER. Objection is heard.

APPROPRIATIONS—TREASURY AND POST OFFICE DEPARTMENTS.

Mr. MADDEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6349), making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1925, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Treasury and Post Office Departments appropriation bill, with Mr. SANDERS of Indiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose yesterday the gentleman from Massachusetts [Mr. GALLIVAN] had consumed

20 minutes, and the gentleman from Massachusetts is now recognized for an additional 40 minutes.

Mr. GALLIVAN. Mr. Chairman, I am glad to join with my colleagues in making this a unanimous report from the committee which has been considering this appropriation bill. We have come to that stage of the debate where the House ought to be told a thing or two about prohibition enforcement, and I want to announce that I am just as much for law enforcement as, for instance, is the gentleman from Michigan [Mr. CRAMTON], or any other man on this floor. Yet it is admitted by those whose duty it is to enforce all Federal law that the Volstead Act is not enforced, and some of these officials admit that this law can not be enforced by civil authority. Mrs. Willebrandt, Assistant Attorney General in charge of prohibition cases, told the conference of prohibitionists which recently met in Washington that the widespread propaganda of the prohibition unit was worse than idle, because it was all based on the presumption that the law is being as well enforced as other Federal statutes when the evidence of nonenforcement was everywhere for all to note.

Mrs. Willebrandt does not guess when she admits that the Volstead law is not enforced 100 per cent; that in the more populous States and those along our coasts and international borders it is not enforced 50 per cent. There are nearly 100 United States attorneys throughout the country who report to her, and their reports are not guesses but humiliating admissions as to the condition. Kansas, Idaho, and Utah attorneys report that the nonenforcement is only about 5 per cent, but the Georgia coast enforcement is given at 10 per cent, while the interior of that State may have 80 per cent enforcement. The same lax enforcement is reported along the whole Atlantic and Gulf coasts from Chesapeake Bay to the Mexican border, just as it extends from the Canadian border down through New England, New York, New Jersey, and Maryland. It is the same on the Pacific coast and along the Canadian border. It is not a question whether the people of these States voted wet or dry. It is the ability to secure liquor, and they have been able to secure it from Cuba, the Bahamas, from Canada, and Mexico regardless of the law. In 22 States, with a total population of 57,948,603, it is said by officers of the law that the nonenforcement of the Volstead law ranges from 50 to 95 per cent; and in the other 26 States, with a total population of 47,762,000, the average nonenforcement is from 5 to 45 per cent.

The American people are apparently as much opposed to force bills in the twentieth century as they were in the eighteenth and nineteenth centuries. They would not tolerate force bills from Great Britain and threw off the yoke of British rule in 1776. After the Civil War and the adoption of the thirteenth, fourteenth, and fifteenth amendmens to the Constitution, a distinguished Representative from my State, Gen. B. F. Butler, introduced and drove through the House a force bill to give Federal control over the elections in the South. There was revolt against that bill not only in the South but in the North, even in Massachusetts, and the Republican Party lost its first congressional election in 1874 on that issue. An overwhelming Republican majority in the Forty-third Congress was changed into an overwhelming Democratic majority in the Forty-fourth Congress and because of the Butler force bill which had passed the House, and so effective was the warning that the Republican Senate held it up until the last days of the session of the Forty-third Congress. I want gentlemen on the Democratic side to follow me closely—particularly those who have opposed the force bills. In 1890 there was another effort, lead by another distinguished son of Massachusetts, the Hon. HENRY CABOT LODGE, to pass a Federal election law, which the Democrats denounced as a force bill. That bill passed the House of the Fifty-first Congress and in the election that November the Republican Party suffered another severe defeat at the polls, giving the Democrats control of the House again by a large majority. The Republican Senate refused to pass that bill after the election, but the opposition to force bills continued and gave the Democrats the presidential election in 1892, sending Grover Cleveland back to the White House with a Democratic Congress to support him and guard against another such threat.

You from the South were so much encouraged by the assistance of the North in defeating the Lodge Federal election bill that you became defiant and so frank about your refusal to obey the fourteenth and fifteenth amendments to the Constitution that one of your distinguished Senators, Tillman of South Carolina, admitted in debate on the Senate floor, "We stuffed ballot boxes; we shot negroes; we are not ashamed of it."

Now, we have another force bill, one of the most offensive ever written into the Federal statutes, and the Department of Justice admits that it is not enforced though Congress has appropriated millions of money—more money than has ever been appropriated for the enforcement of any other law—and has increased the number of Federal judges and attorneys, costing many more millions to create the machinery for enforcement. I have voted for these appropriations not because I believed in the law or that it could be enforced but because it was a part of the law and the Budget sent us the estimate. It has brought about another revolt against force bills, and I can see no improvement in the situation.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GALLIVAN. Not now. I shall vote for this appropriation bill carrying an appropriation of almost $11,000,000 for the enforcement of the Volstead law, but I do not believe that the expenditure of the money will bring any better respect for the law or any better enforcement. The American people have always opposed and resisted such law, and while I am in favor of the enforcement of all law, I shall continue to try to amend or repeal this law, just as some of you prohibitionists have for more than 50 years tried to repeal the fourteenth amendment and have resisted all law for the enforcement of that part of the Constitution. Mr. Wayne B. Wheeler may call us rats trying to gnaw the ropes that support the Constitution, but his vituperation will not influence my judgment or my action as a Representative on this floor, nor will it have any influence on the millions of men and women who oppose and resist the enforcement of the act.

Mr. WATKINS. Mr. Chairman, will the gentleman yield?

Mr. GALLIVAN. No.

Mr. Wheeler was reported in the newspapers of St. Louis as saying in a speech in that city November 11, 1923, that the Anti-Saloon League had invested $35,000,000 in the eighteenth amendment, and he begged for money to protect that amendment, but Mr. Wheeler insists to Congress that the league has never spent any money in politics, and that he and the league are not amenable to the Federal corrupt practice act which has been on the statute books for a dozen years and more.

That corrupt practices act applies to—

> every person, firm, association, or committee that shall expend or promise any sum of money or other thing of value amounting to $50 or more for the purpose of influencing or controlling, in two or more States, the result of an election at which Representatives to Congress of the United States are elected, shall file statements of the same under oath, as required by section 6 of this act, in the office of the Clerk of the House of Representatives.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. GALLIVAN. No; and the gentleman knows that I will not.

Mr. BLANTON. If the gentleman refers to his audience, should he not yield?

Mr. GALLIVAN. Oh, the gentleman is interfering with my speech and I wish he would take his seat.

Mr. BLANTON. But the gentleman was referring to his audience and he specially asked us to listen to him.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. Mr. Chairman, I make the point of order that whenever a speaker refers to his audience and asks them to do so and so, it is perfectly in order for a Member to ask him to yield.

The CHAIRMAN. The point of order is overruled.

Mr. GALLIVAN. Mr. Wheeler, if correctly reported by the St. Louis newspapers, disregards that law, which applies to the Anti-Saloon League the same as it applies to you and me, to Republican and Democratic committees, and to all other organizations and associations and individuals who seek to influence elections in two or more States, for we all known that the league has for years been spending large sums of money in practically all the States to influence elections. Thirty-five millions is a considerable political investment, and Mr. Wheeler and others engaged in this lawbreaking should be brought to book and made to comply with the corrupt practices act before they set themselves up as the leaders of law enforcement.

The Civil Service Commission has a good definition of political activity in its rules as applied to the men and women engaged in Government service. This rule declares:

> Any one of two or more bodies of people contending for antagonistic or rival governmental policies or measures is a political party. The fact that a campaign may not mean affiliation with any of the great national political parties or that the party may be a reform party is not material, for the reason that one of the primary purposes of the rule forbidding political activity on the part of competitive classified employees is to require them in their political as well as their official actions to avoid any act or display of partisanship on any pending political issue which might cause public scandal or unfavorable com-

ment and offend persons who have relations with them in their official capacity.

It is well known that reform or so-called nonpartisan campaigns are frequently more bitterly contested than campaigns conducted on strictly partisan lines, and however meritorious may be the reform sought to be attained, if the question is a political one, a competitive employee may not take an active part in its discussion or solution. No attempt can be made in enforcing the rule to distinguish between good and bad political activity, and the fact that the political activity may be under the auspices of a religious organization (as in the question of prohibition) or of a labor organization (as in the matter of legislation on labor and other kindred questions) does not make it any the less prohibited political activity.

I commend this definition of political activity to the House and to Mr. Wayne B. Wheeler, especially the last paragraph.

The subcommittee considering the Treasury bill had some interesting testimony from the prohibition commissioner and his subordinates. One subject inquired into was the violation of the law by the agents of the prohibition unit, and James E. Jones, assistant commissioner, testified that a total of 79 employees of the unit had been convicted of criminality, including drunkenness and disorderly conduct, and for other more serious offenses. I refer to this testimony, not to criticize the commissioner or his official associates but to connect it with a criticism of some of the Members of this body. The eulogists of the commissioner and his efforts to enforce the law have laid his failures at the door of politics. One of these defenders of Commissioner Haynes says:

The politicians have control of the prohibition-enforcement division of the Government in almost every State in the Union. Commissioner Haynes has tried on one or two occasions to name men of his own choice, but the game is not played that way. The politicians pick their men, hand the names to their Congressmen, and the Congressmen in turn hand the names to Mr. Blair or Mr. Mellon, and the appointment is made. All Mr. Haynes has to do with the case is to put the new man on his pay roll.

Mr. Wheeler and other prohibitionists have at last laid the blame on the failure of the Secretary of the Treasury to have the employees of the prohibition enforcement placed under the civil service. But Mr. Jones in his hearing corrected both these statements. He told the subcommittee that—

Appointments are made by the commissioner of internal revenue on recommendations of the prohibition commissioner.

And he further stated that—

The Volstead Act expressly excluded enforcement agents from the classified service, or it authorized the appointment of enforcement agents without regard to the civil service.

So here we have the admission or confession from Commissioner Haynes's chief assistant that the responsibility for the corruption, blackmailing, accepting bribes, drunkenness, and other criminality of prohibition agents rests right there in the enforcement unit. First, the men who drafted the Volstead bill deliberately provided that the unit should not be under the civil service law. We know who drafted that bill, and we know that it was not the politicians who are denounced as rats trying to gnaw the ropes that support the eighteenth amendment, but those politicians who wear the cloak of sanctity which shields them from political influence to enable them to work for the reform of human nature and the upbuilding of morals. Mr. Wayne B. Wheeler and his associates prepared the Volstead bill, defended it before the Judiciary Committee, and watched its course through the House and Senate before and after President Wilson vetoed it. They did not want this new Government force to be selected by civil-service examination, but on their recommendation to a commissioner of their choice. They had their way. The politicians had little to do with the selection of these corrupt prohibition agents. The Commissioner of Internal Revenue who is superior to the prohibition commissioner, according to the testimony of Mr. Jones, assistant prohibition commissioner, made the appointments on the recommendation of Commissioner Haynes. That official has fearlessly placed the responsibility for the appointment of corrupt agents in the prohibition unit and also placed the failure to place these agents under the civil service on those who drafted the Volstead law.

I refer to this testimony to defend my friends on that side of the House who have been accused of injecting politics into the prohibition enforcement to make the law a farce, or as the distinguished Representative from Minnesota [Mr. KVALE] said the other day, "Worse than a farce. It is the greatest tragedy ever witnessed in civilization." And, by the way, Mr. KVALE is a prohibitionist and the successor to Mr. Volstead. It is not necessary to defend any man on this side of the House from the charge of injecting politics into the prohibition unit for any purpose, good or bad, for the reason that any recommendation made by a Democrat to Commissioner Haynes would place his man on the black list as incompetent, politically, morally, and mentally. So I recite this testimony for the benefit of Republicans.

The prohibition unit is a patronage bureau for prohibitionists, not for Republican or Democratic politicians, and I doubt if my friend from Michigan, Brother CRAMTON, has been able to break through the prohibition barrier that the professional prohibitionists built about the place to keep it as an asylum for those who devote their efforts to keeping this farcical law before the country as a political issue to hocus-pocus the people and pretend to be working for temperance.

Each year the Prohibition Commissioner has come to Congress asking for more money and each time promising that it will be the last increase demanded to make the country dry as a bone. But his promises are for the moment and are forgotten. First, the law was to be self-supporting from the fines and penalties; and that argument has been repeated at each hearing. It was presented to the committee when this bill was being prepared with a demand for something more than a million dollars more than the appropriation for this fiscal year, but Judge Britt, a former Member of this House, and now at the head of the law division of the prohibition unit, admitted that while they had assessed fines amounting to $13,253,346, they had, under an opinion of the Supreme Court, to nullify about $12,000,000 of those assessments and accept little more than a million dollars.

The prohibition unit, having failed to enforce the Volstead Act by civil authority, now demands the use of the Coast Guard with an appropriation of some $30,000,000 to construct new vessels and enlist more men, the whole guard to be commanded by the Prohibition Commissioner. Think of it, gentlemen; the Coast Guard is the oldest line of coast defense we have. It was created before we had a Navy, and it was created to protect the coasts of the United States in the absence of a Navy and to enforce the customs laws. It has lived up to the purposes of its creation, and no branch of our defensive service has finer traditions. It becomes a part of the Navy in war and it patrols the coast in time of peace to aid vessels in distress, rescue men and women who have been wrecked, and it is on duty every hour, day and night, ready to respond to the S O S and rush to the rescue. It patrols the ice fields to warn the merchant marine of danger. It goes into all the fields of danger on the sea and is the watchdog of our coasts. But the professional prohibitionists would turn this Coast Guard over to the Prohibition Commissioner to chase rum runners. How often do you suppose the guard would chase a rum runner if it received a signal that a merchant vessel was in distress? Not even Congress can destroy the traditions of the Coast Guard, and I am glad to report that the Committee on Appropriations, led by its chairman, turned down this preposterous proposition.

The enforcement of this law has become so difficult under civil authority that the mayor of the City of Brotherly Love, where the Declaration of Independence was proclaimed and the Constitution written, has borrowed the most daring and distinguished devil dog to apply military tactics with the police to those who ignore the law. I hope he will succeed because of his fine record as a fighter in every clime and country where we have had to send fighting men, and because he comes of a fighting Quaker family, as we can all testify, who have come in touch with his distinguished father on this floor. But here is a lineal descendant of William Penn, called on by the mayor of the city Penn founded, the city to which we pilgrimage to see the old Liberty Bell that rang out to all the world that the American people had declared their independence of autocratic power enforced by military rule. Is it not what the distinguished Representative from Minnesota [Mr. KVALE] termed this Volstead legislation and its enforcement, "Worse than a farce—the greatest tragedy of civilization"?

If we are to have civil law enforced by military power, we will have to lay aside the Declaration of Independence and the Constitution as instruments which are no longer operative in this Republic and admit that the founders of this Nation were not the wise men they have been considered for more than a century. The tinkers of the Constitution are fast undoing the work of Washington, Hamilton, Jefferson, Franklin, and Madison, and getting us back to the conditions against which those men revolted. I hope we may be able to check the work of the tinkers and the meddlers who are the real reactionaries of America.

There is one thing about the professional prohibitionists that commands my admiration. They have done more to revive

the age of romance in this matter-of-fact world than any other class of our people. They have surpassed the professional writers of romance, and their romances have been accepted as sober facts by a large number of people who are not romantic. Take some of the alleged statistics of Mr. Wheeler as to the reduction of crime, the increase of prosperity and happiness, due entirely to prohibition, and compare them with the dull statistics of the Census Office and the police courts and you will find the repudiation of the old maxim that figures can not lie. But Wheeler is not the master mind in Anti-Saloon League romance. The recognized master of romance in the league and in America is that great leader just convicted for forgery in New York, William H. Anderson, who in his testimony last week made the stories of the Arabian Nights pale into dull and commonplace yarns. [Laughter and applause.]

We all know the story of the poor son of a Chinese tailor, Aladdin, who found an old copper lamp in a cave, and in trying to clean it of the dust and grime of ages brought forth the genie who laid at his feet gold and emeralds and diamonds by the bushel, gave him the king's daughter in marriage, built palaces for the royal couple, and responded to every possible wish that they could suggest. It is one of the oldest and most extravagant romances in literature, but Mr. Anderson has improved upon it with a story, told under oath, that makes Aladdin a mere piker. Anderson did not require a copper lamp to work miracles. He simply rubbed his Teapot Dome and his genie appeared, called himself John T. King, and handed him $25,000 with the explanation that he liked his kind of a darned fool. That was a dozen years ago, when Anderson was a poor servant of the league in Baltimore, wondering where he would get the money to pay off a mortgage. He never met King before nor afterwards, except when that genie dropped in with several thousand-dollar bills, laid them on the table, and departed without explanation or apology. Mr. Anderson testified that he does not know where King lives, what he does to coin wealth to give to darned fools he has read about, but he put the money in a tin box instead of in bank. Then another genie appeared and proposed to make Anderson famous by publicity, and Anderson, with the same kind of simplicity as that of Aladdin, handed over to Mr. Henry Mann, who sprung from nowhere, the $24,700, without a receipt or his address or any other evidence as to his calling, his name, or his identity or business. The innocent league leader does not know to this day anything more about Mann than he did when he handed over that $24,700 that the genie, John T. King, had given him when he rubbed his Teapot Dome of thought down in Baltimore.

But six years later Mr. Anderson, after some acquaintance with the financial district of New York and with some of the multimillionaires of Wall Street, recalled his experiences with the genii of Baltimore, and another rub of his dome of thought brought the plan to charge it up to the New York Anti-Saloon League, with interest from date of his first find, at 6 per cent interest; and the directors of the league equally innocent, accepted his story that he had mortgaged his home and hypothecated his life-insurance policy to raise money for the great cause of prohibition. They allowed the bill and paid it out of the $75,000 the Rockefellers had generously contributed to the cause.

Can you wonder that with such romancers as Anderson and Wheeler that the Congress of the United States, made up of men as gullible as New York financiers, should have passed the Volstead bill without considering the effect of prohibiting the manufacture or sale of any beverage like buttermilk, containing one-half of 1 per cent of alcohol? We all love to read romance, and we sometimes accept as fact what appears stranger than fiction, and a majority of the Members of the Sixty-sixth Congress were in that romantic mood when they voted for the Volstead bill, and they were still so engrossed in the romance of Wheeler and Anderson when the bill came back from the White House disapproved, that they passed it over the President's veto. That good old poet and philosopher, Dr. Oliver Wendell Holmes, once wrote—

> Men get intoxicated with music, with poetry, with religious excitement, oftenest with love.

And then he added:

> There are companies of men of genius into which I sometimes go where the atmosphere is so much more stimulating than alcohol that if I thought fit to take wine it would be to keep me sober.

The old philosopher, had he lived to this day, would, I think, have added romance as one of the greatest intoxicants, and pointed to the Congress of the United States as an example of the intoxicating effect of the romances of the professional prohibitionists who camped in the lobbies and galleries and romanced to the great Committee on the Judiciary. Gentlemen, we have revived the romantic age more romantic than that which produced the Thousand and One Tales of Arabian Nights, and we have gone further than the people of 3,000 years ago, by writing romance of the wildest sort into our Federal laws with the idea that the eighteenth amendment is the whole Constitution and the Volstead Act the Revised Statutes, that the sole purpose of taxation is to support the agents of prohibition enforcement and enable them to spy on the taxpayers and blackmail them out of what little they have been able to save from the taxgatherer. I am not in favor of that kind of government nor of legislating after the demands of the romancers.

Some of the prohibitionists have quoted Abraham Lincoln's celebrated statement that a house divided against itself could not stand. It is a curious coincidence that in the great debates between Lincoln and Douglas when the latter quoted that statement at Ottawa, Ill., August 23, 1858, as evidence that Lincoln meant to incite a sectional war between the free and the slave States, Mr. Lincoln replied:

> With public sentiment nothing can fail; without it nothing can succeed. Consequently, he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions. He makes statutes and decisions possible to be executed. [Applause.]

Mr. MADDEN. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. ROGERS].

Mr. ROGERS of Massachusetts. Mr. Chairman and gentlemen of the committee, I desire to present a matter which is perhaps not directly before us at the moment, but which I think ought to be in our minds and as to which we ought to express an opinion before many weeks go by. I want to discuss the cruise of the *Shenandoah*, which, as was recently announced, is to be undertaken by the Navy Department during the coming summer. On the chart which is before you is a map of the North Polar regions of the world. Greenland and the North American Continent, Alaska, Siberia, and northern Europe are all portrayed bounding the North Polar Sea. The great area in the center of the map with the North Pole near its eastern apex is completely unexplored. The foot of man has never stepped upon any part of this region, and the eye of man has never looked upon that great expanse. At the western rim of this unexplored area is land which is marked on the map "Keenan Land, existence doubtful." That land is within 150 miles of United States soil. Keenan Land, if it exists, and no one knows with certainty whether it does exist, is 150 miles almost exactly due north of Point Barrow. Further to the eastward and about north of the west coast of Greenland is another area marked on the map, "Crocker Land, existence doubtful." Both of these territories are within apparently easy reach of America; but, although they are supposed to have been seen by American explorers, no one can say positively whether there is land there or not. Let me try to visualize the size of that unexplored area in terms which we can more readily comprehend. That area, which has been completely unexplored from the dawn of history until to-day, is as large as the entire United States east of the Mississippi, with the States of Minnesota, Iowa, Missouri, Arkansas, and Louisiana added. Now, Mr. Chairman and gentlemen, I think the country has a right to ask, and I think Members of this Congress have a duty to search, whether the proposal to send the *Shenandoah* to the North Polar waters and regions conforms with certain rather obvious standards of propriety.

Is the proposal to send the *Shenandoah* to the Arctic foolhardy? In potential results is it worth while? Is it costly beyond reason? Is it in accordance with the traditions of our country and our Navy? These, I say, are questions which everyone should ask, and upon the answer to them depends the decision of whether the *Shenandoah* should undertake her flight to the northward next June. There has been, I think, a wide misunderstanding as to the purpose of this proposed Arctic flight. It is in no sense an attempt to rediscover the North Pole. That quest was gloriously ended—and ended by an American naval officer who gave his whole life to the task. Fifteen years ago next April Robert E. Peary planted the Stars and Stripes upon the exact point of the North Pole in April, 1909. As a matter of fact the cruise of the *Shenandoah* will very likely not take her to the North Pole at all. If she passes over or if she passes near the North Pole it will be merely incident to her major undertakings, and not in any sense her actual objective. The missions of the *Shenandoah*, as announced by the Navy Department, are threefold. First, to obtain geographic knowledge of the great unexplored regions to which I have alluded. Second, to obtain meterological data as to temperatures, as to conditions of wind and water in the Arctic,

and as to various other elements of scientific information which are entirely lacking to-day. And, finally, in conjunction with airplanes, to search the northern stretches of the Territory of Alaska, which are practically unknown, in order to determine whether there are deposits of coal and oil upon which the United States may rely in the event of later emergencies as the known supplies of continental America gradually disappear. The third objective is to examine the practicability of aerial travel over the polar basin. Bear in mind again if you please, gentlemen, that this unexplored area extends to a point within 150 miles of the United States and comprehends a vast area of 1,000,000 square miles. It is, I repeat, the largest absolutely unknown area on the face of the earth to-day.

The question, of course, may not be answered with confidence as to whether that area contains land in any large amount. The best scientific information is that the area contains a continent, or at least an archipelago, of very considerable proportions. You all know by reputation, and many of you know personally, Gilbert H. Grosvenor, president of the National Geographic Society of the United States. Mr. Grosvenor has stated in a letter, which I have with my papers, that in his opinion the indications of ice movement and age, of tides, and of wave measurement are that land areas exist in this vast region. I frankly am not enough of a scientist to follow the reasoning by which this result is reached, but many scientists are convinced, as the result of their observations and studies that there is a continent of large proportion within the area marked in red upon this map.

The nation which first plants its flag upon this soil will hold that territory to its sovereignty for all time. If we do not hasten upon this journey, if, indeed, we do not undertake it in the year upon which we have just entered, it may well be too late for us to be the first. It was officially announced the other day, and I quote:

> We go upon this expedition because if we do not go this year it will not be of any use to go at all. That entire region will probably be controlled by another power within two years.

It is known, gentlemen, that at least two nations—and those two nations are Great Britain and Norway—are casting hungry eyes upon the last great region of the world which is unknown and unowned. America's greatness as a nation is built upon exploration. We have always been a nation of intrepid discoverers.

The area lying immediately to the north of United States territory, the last frontier of the world, presents a peculiar appeal to our national pride and to our love of high adventure. So much for the exploration feature.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. LANHAM. I am very much interested in the gentleman's statement. Would not the United States have a great advantage over Great Britain and Norway in the exploration of this unknown territory by reason of its practical monopoly of the known source of supply of helium?

Mr. ROGERS of Massachusetts. I think the gentleman is quite correct on that point. I am going to deal with the question of helium a little later on in the course of my remarks.

So far as the scientific features of the project are concerned, the results of the voyage of the *Shenandoah* should be momentous. The plan is not to go in a straight line across the pole or the Polar Sea. The plan, starting from Nome, is to zigzag in rather a wide radius, and as the *Shenandoah* proceeds on her way perhaps to make a circle or two. She may not go across to Spitzbergen at all, but if favorable winds make it possible and wise for her—and she will have an abundance of fuel range—it is quite likely that she will go across the polar area. If this occurs, she will find a base waiting for her at Spitzbergen.

Mr. LANHAM. Mr. Chairman, will the gentleman yield again?

Mr. ROGERS of Massachusetts. Yes.

Mr. LANHAM. The cruising radius of the *Shenandoah* is about 4,000 miles. In a straight line from Nome to Spitzbergen, I think, it is about 2,150 miles?

Mr. ROGERS of Massachusetts. Yes. The figures I have indicate that it is about 2,200 miles. It is not far from what the gentleman says.

Mr. LANHAM. Then the distance from Nome to Spitzbergen, directly across the pole, would be a little more than half the cruising radius of the *Shenandoah?*

Mr. ROGERS of Massachusetts. The gentleman is correct.

As the *Shenandoah* zigzags across this great polar region she will make innumerable photographs. She will study tides and winds and temperatures and make other inquiries of a scientific character. She will make possible much more accurate weather forecasts in the United States.

Gentlemen, it is a remarkable fact that the weather of the United States, in the summer months especially, is born in this unexplored region. If we can learn more about the weather in that great area, our Weather Bureau will be able to forecast with more precision the weather which we are going to have a week ahead down here in the United States.

In conjunction with airplanes, the program is, as I have said, that the *Shenandoah* will look into the geographical and geophysical conditions which prevail in the practically unknown stretches of northern Alaska.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. WILLIAMSON. Is it the plan of the *Shenandoah* to carry a number of airplanes for reconnoitering purposes?

Mr. ROGERS of Massachusetts. She will carry no aircraft with her, but at her base at Nome or at Point Barrow, on the one hand, or at the other base across the pole at Spitzbergen, on the other, there will be a squadron of airplanes in each case which will be sufficient in number and in cruising range so that they can go to the rescue in case of an emergency and can cooperate in performing the missions of the *Shenandoah* when there is no emergency.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield? I have a question to ask of the gentleman. The gentleman may cover it later, perhaps. Is it possible that the *Shenandoah* in her exploration of this undiscovered territory will make landings?

Mr. ROGERS of Massachusetts. I am going to come to that a little later, if the gentleman will permit me to postpone an answer until then.

Mr. BANKHEAD. Very well.

Mr. ROGERS of Massachusetts. The question of a transpolar airplane route may seem to many a remote and even an imaginative possibility. Yet when I remember that only eight or nine years ago at San Diego I made a flight on the only Government air vessel that at that moment could fly at all anywhere in the United States, when I remember that that solitary flyer crashed to the ground when I was a passenger, and when I reflect on what has happened in those intervening nine years I for one am not prepared to be dogmatic as to the limitations and possibilities of this new-born child of human knowledge.

So far as distances go, the argument for the polar route from America or Europe to Asia is mathematically demonstrable. Here we have Europe on the map [indicating]; here we have America on the map, and here we have Northern Asia on the map, the Orient lying just south of the point that is shown at this corner [indicating]. It is less than half the flying distance across the Polar Sea as compared with the route through the Temperate Zone.

I repeat that a polar route seems a thing afar off. It may seem visionary. Yet the question remains, gentleman, whether it is not a conceivably feasible thing some time in the not very distant future. If we can find land bases along the line of such a flight, manifestly one of the major objections is thereby removed.

Now, we come to one of the prime questions as to which we have a duty to perform. Is the flight a foolhardy thing?

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Massachusetts. Certainly.

Mr. CRAMTON. I take it from what the gentleman has said that the dreamer has inspired the world, and that the dream has often come true.

Mr. ROGERS of Massachusetts. I thank the gentleman. He has expressed my thought better than I could hope to do it.

Is the trip foolhardy? Americans are accustomed to the taking of risks. If our ancestors had not taken risks there would be no America. As Americans, we only insist that the risk shall be commensurate with the achievements which we hope to attain.

Now, gentlemen, every expert who has examined this project says that there is no undue risk involved in the flight. The major catastrophes to dirigibles have been due to the fact that they have always been filled with inflammable gas. The *Shenandoah* is the only dirigible now flying, or which ever has flown, that is filled with a noninflammable gas, namely, helium.

Mr. LANHAM. Will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. LANHAM. I know the gentleman does not want to be inaccurate in his statement. The *Shenandoah* is the only

dirigible of that size which has flown with helium. I had the pleasure, in the latter part of November, of flying in a helium filled Army dirigible. The gentleman will recall that on the 5th of December, 1921, the *C-7*, a naval dirigible, made the first flight from Norfolk to Washington and back again. But the *Shenandoah* is the largest dirigible using helium.

Mr. ROGERS of Massachusetts. I thank the gentleman for the correction.

The *Shenandoah* has shown her ability to withstand a gale of 80 miles plus per hour.

Mr. BLANTON. Will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. BLANTON. At how many places in the United States to-day could the *Shenandoah* land with safety?

Mr. ROGERS of Massachusetts. The mooring mast is the solution of that.

Mr. BLANTON. Oh, yes; but there are very few places, as the gentleman knows, at which the *Shenandoah* could now land in the United States.

Mr. ROGERS of Massachusetts. I do not think that is true; I think there are many places where she could land.

Mr. BLANTON. What kind of landing places would the *Shenandoah* have on a voyage of that kind?

Mr. LANHAM. Will the gentleman yield?

Mr. ROGERS of Massachusetts. Certainly.

Mr. LANHAM. May I say in that regard that all the mooring mast does is to take the place of people to hold down the dirigible. The *Shenandoah* could land at any place where a sufficient number of people were present to hold the guy ropes and keep the ship down.

Mr. BLANTON. But how many people does the gentleman expect to find where she is going?

Mr. ROGERS of Massachusetts. She would not have to land in the north polar region at all.

Mr. BLANTON. She can go up there and come back without landing?

Mr. ROGERS of Massachusetts. Yes; I will deal with that in just a moment. The *Shenandoah* has shown her ability to cruise 2,200 miles without refueling. Summer in the Arctic is a period of calm, free from thunderstorms and other violent weather disturbances. The 24-hour day—one might almost call it a six-month day—means elimination of the troublesome expansions and contractions of the gas bags which mark the transitions between sunlight and darkness in our latitude.

Mr. BRIGGS. Will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. BRIGGS. What is the length of the trip, as outlined, that the *Shenandoah* proposes to take?

Mr. ROGERS of Massachusetts. If the gentleman will permit, I will postpone an answer to that now, as I shall cover it in a moment. Professor LePage, of the department of aeronautics at the Massachusetts Institute of Technology, said the other day in a public statement:

> There seems little possibility, assuming adequate and perfectly reasonable organization, of the *Shenandoah* failing to return safely.

Admiral Moffett has stated that he regarded the expedition as a reasonably safe one. Of course, there is a risk to a flight on the *Shenandoah* between Washington and New York; there was risk the other night when she was swept from her moorings in a gale; there is risk when we take a motor ride. But naval officers who have examined the project tell me that the additional hazard to the 40 men, as compared to the ordinary flying which at any rate she will be doing next summer, is slight. It is what they term a normal risk. It is certainly vastly less dangerous than any other kind of a voyage involving polar exploration.

Furthermore, before the *Shenandoah* starts out from Nome she will have traveled around three sides of the United States and thence on up north to Alaska; in other words, she will have traveled a total of more than 5,000 miles before she starts on her major objective. Naval officers tell me that the polar flight is attended with very much less risk than the flight which precedes the beginning of the polar flight. Certainly no more thorough tests of the wisdom of going further can be devised than that to which she will be subjected in reaching Nome.

Mr. LANHAM. Will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes.

Mr. LANHAM. I beg the gentleman's pardon for interrupting so much, but, as he knows, I am very much interested in this matter. The only objection which I have seen urged, and which seems to be especially weighty, was the one made by an Arctic explorer to the effect that the accumulation of snow or of ice upon the bag of the dirigible might so increase its weight as to hamper its operation. I infer from what the gentleman has said that the feasibility of the trip in that regard should be determined in a preliminary flight around the borders of America.

Mr. ROGERS of Massachusetts. That is true as a partial answer. I think it is also true that the best scientific opinion is that when the *Shenandoah* flies at a reasonable height above the Arctic Sea the temperatures prevailing during the months of the flight will be such as not to involve that particular risk.

Mr. HILL of Maryland. Will the gentleman yield?

Mr. ROGERS of Massachusetts. Yes; with pleasure.

Mr. HILL of Maryland. Has the gentleman given the mileage by way of Europe and Asia as compared with the other routes?

Mr. ROGERS of Massachusetts. The voyage across the polar seas from Europe to Asia is about 5,000 miles, as compared with a 10,000-mile flight throught the Temperate Zone in a straight line.

The *Shenandoah*, as I said at the outset, will have bases and supplies both at Nome and at Spitzbergen. She will be equipped with powerful radio apparatus, with a minimum range of 1,000 miles. This radio equipment will keep her in touch with all of her stations most of the time, and probably every moment of her flight. There will be at Nome and at Spitzbergen airplanes with sufficient passenger capacity to take off her crew in case of trouble, and they will also be available for the purpose of assisting in the scientific objectives of the main cruise. The distance from Nome to Spitzbergen, as has been said, is just 2,200 miles. The *Shenandoah* has already traveled a route of equal distance under conditions less favorable than those anticipated. Her fuel capacity is 6,000 gallons. This enables her to fly, at 50 miles an hour, nearly twice as far as the maximum she will attempt. Her crew will carry rations for 60 days. Assuming she should fly from Nome to Spitzbergen—and this route would take her through the heart of the unexplored region—the flight should take less than 48 hours.

We come now to another suggested objection to the cruise, and that is its cost. Of course, you can figure cost in as many ways as you desire and the result depends upon the elements which you regard as properly included within the budget attributable solely to this expedition. The Peary expedition cost $1,000,000. The Navy Department has furnished figures in detail to Congress showing that the cost of this expedition beyond normal, and attributable solely to the Arctic flight, will be $183,000. This figure includes $50,000 for unforeseen contingencies.

Mr. BLANTON. Will the gentleman yield there?

Mr. ROGERS of Massachusetts. I am sorry I can not yield at this time.

Mr. BLANTON. I have some time and I will be glad to give the gentleman five minutes additional time.

Mr. ROGERS of Massachusetts. I shall be glad to yield under that condition.

Mr. BLANTON. The little lark that the *Shenandoah* took the other night cost $100,000.

Mr. ROGERS of Massachusetts. The trouble with the little lark the other night of which the gentleman speaks is, I suspect, that she was not released from her mast promptly enough and before the wind had risen to such velocity that the strain upon the mooring mast and the nose of the vessel became too great.

Mr. BLANTON. These unforeseen emergencies will come about on such a trip as the one proposed every now and then.

Mr. ROGERS of Massachusetts. Perhaps they will, and perhaps this estimate of $50,000 should be increased.

Mr. BLANTON. In view of the help and assistance that is to be given on this trip, does not the gentleman think we would get off cheaply if we kept the amount under $25,000,000?

Mr. ROGERS of Massachusetts. I should think about 1 per cent of $25,000,000 ought to be a liberal allowance for the probable cost.

It may be interesting in this connection to note that the capacity of the *Shenandoah* is 2,000,000 cubic feet of helium. Helium now costs $81 per thousand cubic feet.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ROGERS of Massachusetts. Will the gentleman yield me five minutes more?

Mr. MADDEN. I will yield five minutes to the gentleman from Massachusetts.

Mr. LANHAM. Will the gentleman yield right there?

Mr. ROGERS of Massachusetts. May I first complete my statement, because I want to finish within the five minutes.

Mr. LANHAM. This is directly in connection with that statement. Through their later experimentations processes have been perfected and shown to be feasible in the extraction

of helium which will now reduce its cost to between 2 and 3 cents per foot.

Mr. ROGERS of Massachusetts. This figure was given to me by the Navy Department within a week, and I preferred to give the official figure rather than to conjecture about what may happen in the future. I know that substantial economies are expected.

The cost of a complete filling of the 20 bags of helium which give the *Shenandoah* buoyancy is about $160,000. Experience has shown that there is only a small percentage of leakage in normal operations. As a matter of fact, the men in the Navy Department who have been following this matter most closely tell me that they have not been able to measure the degree of leakage because it has been so small. Nevertheless, the cost of helium and its transportation for use in the flight is nearly one-half the total estimate of $183,000. And, incidentally, I may say that, depending upon the rate of speed, the *Shenandoah* requires from 1½ to 2 gallons of fuel per mile of flight.

I think we must conclude, gentleman, on the argument that has been made that the project is not foolhardy; that it is not overcostly; and that it promises substantive results of the very first importance. Is it also in accordance with the traditions of the United States and of our Navy? I do not see how any thoughtful man can answer this question in the negative. Exploration is a part of the mission of a great navy. The names of Wilkes, who discovered the South Polar Continent; of Perry, who made Japan a part of the civilized world; and of Peary, who discovered the North Pole, are among the proudest hero fales of American history. If we should turn back our faces from the present plan, I believe a lasting blow would be struck at the spirit of the American Navy and at the prestige of the United States throughout the world. Other nations, as I have said, will step in if we do not. It seems to me that our duty is a clear and a proud one. The Navy to a man regards this flight as both its job and its joy. The question is clearly whether we shall take the "soft" course or whether we shall accept while there is still time the challenge to our country. I for one want to see the American Navy plant our flag upon the soil of the Arctic Continent. The spirit of the pioneer and of the man of vision, who seeks to chart the uncharted, finds here its last call to duty and opportunity which the world affords. Rearrange the figures 1492 and you have 1924. Let us give the new number a significance worthy of its ancestor. The wisest of kings spoke of the things which were "too wonderful" for him. Among them were "the way of an eagle in the air" and "the way of a ship in the midst of the sea." The cruise of the *Shenandoah* partakes of the flight of the eagle and of the voyage of a great ship through unknown seas. Through it we shall learn some of the things which were too wonderful for the King of Israel to understand.

Capt. Bob Bartlett, a great name in the polar history of the world, now a lieutenant commander in the United States Naval Reserve Forces, himself an eager volunteer for service on the *Shenandoah*, said the other day about all that needs to be said on the subject—"Don't write American history, make it." [Applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. TILSON having taken the chair as Speaker pro tempore, a message from the Senate by Mr. Craven, its Chief Clerk, announced that the Senate had passed joint resolution (S. J. Res. 57) authorizing the erection on public grounds in the District of Columbia of a statue by Jose Clara personifying "Serenity," in which the concurrence of the House of Representatives was requested.

APPROPRIATIONS—TREASURY AND POST OFFICE DEPARTMENTS.

The committee again resumed its session.

Mr. BRYNS of Tennessee. Mr. Chairman, I yield 40 minutes to the gentleman from Pennsylvania [Mr. CASEY].

Mr. CASEY. Mr. Chairman, I propose during the time alloted to me this afternoon to answer some of the allegations made in the speech of the gentleman from Massachusetts [Mr. TREADWAY] on the anthracite coal situation, which he delivered in the House January 3, 1924.

I have in my possession a pamphlet of 29 pages, containing a speech carefully prepared and edited by the gentleman from Massachusetts on this important subject. With some of his references I agree, and from others I strongly dissent. I have prepared no set answer to the gentleman's speech. What I am about to say this afternoon reflects only my own individual views. I do not speak for or represent either the anthracite operators or the miners' union. I am not connected with either. I am the son of a miner. I was born in a coal-company shack in a mining patch in the anthracite coal fields of Pennsylvania. There I have lived all my life, except for the short period that I have resided in Washington, while a Member of Congress.

I am not speaking to you as a student or an expert on anthracite mine conditions. It is true that I have worked in the coal breakers and coal mines and have lived among the miners all my life. Consequently, I am thoroughly familiar with the anthracite mine situation. I believe I would be derelict in my duty if I remained silent and allowed to go unchallenged some of the allegations made in the speech of the gentleman from Massachusetts. I have no intention of entering into a controversy with anyone. I am utilizing the time so kindly given me this afternoon to make an honest effort to correct the erroneous impressions made in the minds of the Members of the House and in the minds of the people of the country because of the superficial and circumstantial observations contained in the speech of the gentleman from Massachusetts.

CONSPIRACY CHARGES REFUTED.

I will read from the gentleman's speech the parts with which I do not agree, and I will answer them in a way that I hope will convince you and all others interested that the anthracite mining conditions are not as they have been pictured—that the miners have not entered into any combinations to restrict trade or increase prices. I will gladly yield to any Member of the House who desires information on any subject that does not appear clear.

The gentleman from Massachusetts began his speech with a quotation from the President of the United States in his address to Congress, as follows:

> The cost of coal has become unbearingly high. It places a great burden on our industrial and domestic life. The public welfare requires reduction in the price of fuel. With the enormous deposits in existence failure of supply ought not to be tolerated. Those responsible for the conditions in this industry should undertake its reform and free it from any charge of profiteering.

With this statement I agree. Then the gentleman states:

> The cause of this situation is perfectly apparent to every student of the coal problem.

I believe that I am justified in assuming from the foregoing quotation that the gentleman undertook to discuss the anthracite mining conditions not only as a student but as an authority. The Members of the House and the people of the country, not acquainted with the mining industry, conferred upon him such a distinction.

I do not know whether the gentleman from Massachusetts has ever lived in the anthracite coal fields, nor do I know whether he has ever been employed in a coal breaker or a coal mine. I can not believe that he did one or the other. If he did, the accusatory spirit, vehemently displayed in certain parts of his speech, would not be evident. He would have been taught to respect and admire the men employed in and about the coal mines of the anthracite region.

Many of the statements of the gentleman would, indeed, be amusing if they did not affect seriously the honest motives of kindly courageous and patriotic men. But let me again quote from his remarkable, if not startling, address:

THE SALES AGENCIES OMITTED.

> What are the reasons for this tremendous increase? The fact that the anthracite production is a monopoly and uncontrolled and unregulated makes it the toy of every element in any way connected with the system. The reasons therefor for the inflated prices can be plainly stated. They are the results of a combined action on the part of the following: First, landowners; second, State laws of Pennsylvania; third, the operators; fourth, the miners; fifth, the transportation companies; sixth, the jobbers.

Then the gentleman states, and I quote from his remarks:

> I intend to speak plainly and openly regarding each of these reasons, as nothing is to be gained by endeavoring to shield or cover up the underlying causes of exorbitant prices charged for coal.

I likewise intend to speak plainly and openly on this question. The gentleman has not enumerated in this list all the causes for the high prices of anthracite coal that could be included therein. For instance, he has omitted the sales agencies, which, in my judgment, have more to do with the increased cost of coal and covering up the iniquities of these high prices than anything he has mentioned. He should have stated also that the operators added an additional price of 10 cents a ton on all anthracite prepared and shipped to market when the compensation law was passed by the Legislature of the State of Pennsylvania. The reason given for this additional cost on

anthracite coal was that it was necessary to meet the extra expense imposed on the operators because of the operation of the workmen's compensation law.

CLASSIFIES ROYALTY AS LANDOWNERS.

The gentleman from Massachusetts deals with landowners. That is what is known in our section as the royalty proposition, and he quotes prices at about $1.50 a ton or less. He is entirely too conservative. I know of instances where the royalties are as high as $2.40 a ton and as low as 5 cents a ton. That means that the operator must pay the landowner in some cases as high as $2.40 for every ton of coal that he takes from the land. Of course the people of the United States must pay this additional $2.40 a ton or whatever the royalty may be if they want to burn anthracite coal. The Lord only knows what the royalties will be within the next few years when many of these leases expire.

The second cause enumerated by the gentleman from Massachusetts is attributed to the State laws of Pennsylvania, and among the laws enumerated is the law providing for a tax of 1½ per cent of the cost of the coal f. o. b. railroad car at the mine, which would add approximately 10 or 11 cents to each ton of coal prepared and shipped to market.

I am willing to agree that this tax is a contributing but not a controlling factor. Ten or 11 cents added to a ton of coal is no justification for increasing the price from $9 to $16 or $25 a ton, and I do not stand here this afternoon in defense of that tax. It can not be defended. It should be repealed.

As a member of the Pennsylvania Legislature during the year 1907, when this tax law was given first consideration, I voted against it. I did so because only two reasons were given for its passage; first, the State needed money; second, that the people outside of the State would pay the tax. The method or the motive did not appeal to me. I do not subscribe to such statesmanship. Gentlemen, let me impress upon you the fact that the tax on anthracite coal, while it is admitted that it is a contributing factor, is in no way a controlling factor.

PENNSYLVANIA GOVERNOR CRITICIZED.

The Governor of Pennsylvania has been severely criticized by the gentleman from Massachusetts because he promised and failed to have this objectionable tax repealed. I am satisfied that the governor when promising the people this reform intended to keep his word. I hold no brief for him. His knowledge of conditions within the State were necessarily limited. His program of economy could not be successfully and generally established without the necessary funds to meet the indebtedness of the State and to defray current expenses. Therefore he requested the coal tax law be not repealed.

The governor did insist, however, upon the legislature passing favorably a State code, the amalgamation of some executive departments, and the elimination of others. Two hundred and fifty thousand dollars was requested for the enforcement of the prohibition act. The legislature respected his wishes in some instances, but it refused to listen to his plea for funds to make the State bone dry. No man has a greater love for his native State than I. I respect and admire the many great men Pennsylvania has produced, be they financiers, men of letters, philanthropists, statesmen, and others. In every city, town, borough, and township I have found men and women whom I am proud to number among my friends.

Every nook, corner, valley, or dale; every mountain; every lake and river has a history of its own, and notwithstanding the reputation certain politicians have given her, my heart throbs with pride at the very mention of Pennsylvania. I love her for her greatness, and I love her people for their loyalty and inherent desire to give every man, it matters not where he was born, a square deal.

THE DAY OF RECKONING NEAR.

And yet the politicians of Pennsylvania have made mistakes—grave ones. In imposing tax laws and in the disposition of the funds derived therefrom they have blundered repeatedly. Here is an instance: Notwithstanding the governor's economy plans, the money at his disposal is inadequate for the proper inspection of the mines. Instead of the inspectors visiting the face of the chambers once each month, as is the custom and as specified by law, they are compelled to take a vacation for a period of 30 days, thus leaving the mines without inspection during that period.

I am satisfied that a day of reckoning is not far distant in Pennsylvania. Each succeeding election the people are moving more and more in the right direction, they are commencing to see the light, they are thinking and acting as patriotic Americans and not as bitter partisans as heretofore. They now want to know what a candidate stands for—not so much what party he represents. When that day comes the coal tax law and other obnoxious laws will be repealed. When this and other laws are wiped off the statute books the miners will rejoice with the people generally, because they fought the passage of such a law, contending that its enforcement would have a detrimental effect and would be unfair to the people outside of the State. The representatives of the miners protested against the continuance of the law and demanded its repeal at the last session of the legislature. The records of the legislature will substantiate my statements. And the allegation that the miner had been a party to the enactment of such a law is without warrant and without basis.

COMPENSATION USED AS SUBTERFUGE.

I believe I am correct in stating that notwithstanding the operators have added at least 10 cents a ton to the selling price of anthracite coal to meet the obligations of the compensation law, it does not cost them more than 3 or 4 cents a ton to meet the expense caused by the enactment of this law. In other words, it leaves them a net profit of approximately $5,000,000 a year which they are collecting from the American people under the guise of its being necessary to meet the outlay caused by the operation of the workmen's compensation law of the State of Pennsylvania.

Notwithstanding the added income from this source, my friends, the operators, went into the courts of Pennsylvania and last week secured a decision from the supreme court of that State in which it is decreed that any miner who is injured or killed and it can be proven he has violated the law in any way does not come within the operation of the workmen's compensation law. In other words, the Legislature of the State of Pennsylvania enacted the workmen's compensation law to protect the workingman, and to provide against the poorhouse for his widow and orphans, and the supreme court of that State read into that law last week what in effect will be the doctrine of contributory negligence, notwithstanding the fact that these operators are collecting approximately $5,000,000 a year from the American people and putting it into their pockets under the pretext that it is to meet the obligations imposed by the workmen's compensation law.

THE MINERS' CERTIFICATE LAW.

The miners' certificate law has been referred to by the gentleman from Massachusetts, and I am sorry to say, by many other officials in this country, as being one of the controlling factors in increasing the cost of anthracite coal, and in the restriction of the output. This law provides that no miner shall be permitted to mine coal in the anthracite coal mines unless he has a certificate of competency, as provided for by the law passed away back in 1889 before the United Mine Workers entered the anthracite coal fields. It is charged by the gentleman from Massachusetts that the miners are responsible for the curtailment of production because of the operation of this law, and I propose to show where this statement is not correct. Referring now to page 9 of the gentleman's speech under the subhead "Wages of miners," speaking of the miner the gentleman from Massachusetts said:

> He is certainly entitled to generous compensation and the best of treatment, both as to hours of employment and conditions under which he works. Frankness, however, compels me to say that I consider the miners' organizations have entered into the spirit of greed and a realization, as all others have, of the lack of control over the business.

The gentleman states that he believes the miners are entitled to generous compensation, but he does not tell us what that compensation should be. Then in the same breath he says that the miners' organization has entered into a spirit of greed. What are the facts? I am speaking of conditions previous to the last settlement which granted the mine workers an increase of 10 per cent.

ONLY 272 WORKING DAYS.

The agreement between the United Mine Workers of America and the anthracite operators prior to the last settlement provided that the minimum wage shall be $4.20 a day for eight hours, and the maximum $5.42 a day for miners empolyed by the coal companies by the day to do mining. The anthracite mines do not work over over 272 days a year. At $4.20, that would amount to $1,142.40 a year. Let us take the price fixed by the operators for the miners when they employ them by the day, at the maximum figure, $5.42. For 272 days that would mean $1,496 a year, and the highest figure that the operators could produce when they were pressing their case was an average wage of $1,500 a year for these men who work down in the bowels of the earth 500, 1,000—yes, 2,000 and 3,000—feet from God's sunlight; and the gentleman from Massachusetts said that if they asked for more than $1,100 a year to provide for their families, as American citizens should pro-

vide for them, they have entered into a spirit of greed with the operators and a conspiracy to raise the cost of coal to the American consumers.

Oh, the contention is so outrageously at variance with the facts. It is so unjust, because it is not true.

Mr. SHERWOOD. If the gentleman will yield, are these miners employed all the year?

Mr. CASEY. I have just stated they never work more than 272 days, and if they work 272 days a large proportion of them only earn $1,143 a year.

Mr. BLANTON. Will the gentleman yield right there?

Mr. CASEY. With pleasure.

Mr. BLANTON. That is because the operators do not want to accumulate an oversupply of coal. If they would let these miners have continuous work, people could then get needed coal and should get it cheaper.

And inasmuch as coal and oil and gas are commodities now that figure very largely in transportation, if we would put in the hands of the Interstate Commerce Commission the right to regulate and control the prices that are charged for these necessary commodities in transportation the operators probably would let the employees work the whole year around and coal would not be so high.

THE YEARLY TOLL.

Mr. CASEY. The gentleman is not willing to go further in that respect than I am.

Mr. SHERWOOD. I desire to ask if mining is not the most hazardous business in the world, more loss of life than in war?

Mr. CASEY. Every day the anthracite mines are in operation 2 to 3 mine employees lose their lives and between 1,000 and 1,200 are injured; many of them are maimed and crippled for life. In the anthracite coal fields the deaths from injuries sustained in the mines average from 500 to 600 each year. The casualties in the anthracite mines generally average from 21,000 to 26,000 each year.

The report made just the other day by the United States Department of the Interior through the Bureau of Mines shows that 2,452 men were killed by accidents at coal mines in the United States in 1923.

Of these fatalities, 2,249 occurred as the result of accidents underground, 46 were due to shaft accidents, and 157 to accidents in and around surface plants. The production of coal during the year was 641,476,000 tons; hence the fatality rate was for the year 3.82 per million tons, as compared with 4.15 for 1922.

Does not this indicate that the occupation of mining is almost, if not, as hazardous as war? And yet we are told by the gentleman from Massachusetts that because a miner asks for more than $1,100 a year in an occupation beset with every danger, encountering daily adverse conditions—not knowing the moment he will be killed or injured—that he has entered into the spirit of greed with the operator and has conspired against the American people. Such an allegation is preposterous and absurd. If the gentleman from Massachusetts knew the miner as I know him, knew his hopes and ambitions as I know them, if he could only see him as I have seen him under the most trying and difficult conditions he would say with me this afternoon that the anthracite mine employee is a true type of an American citizen; one who is honest, fearless, true to his family, his country, and his God. Oh, no; the anthracite mine employee does not conspire. He sought for himself and his family only what every man conversant with conditions knows to be just.

THE OBJECTIONABLE COAL TAX.

Mr. CONNERY. Will the gentleman yield?

Mr. CASEY. I will.

Mr. CONNERY. Did not the placing of the tax that was put upon the coal at the mine in the State of Pennsylvania give the operator an opportunity to raise the price of coal from $9 to $16, as the gentleman stated?

Mr. CASEY. They raised the price without any justification.

Mr. CONNERY. But is not that one reason in the gentleman's opinion that it gave them that opportunity?

Mr. CASEY. Yes.

Mr. CONNERY. And unjustly so.

Mr. CASEY. Yes. Just like the increase they have placed on coal under the pretense of meeting the obligations and the requirements of the compensation law. Now I again quote from the gentleman's speech:

> Again, the State of Pennsylvania favors those engaged in the industry. A miner must secure a State license after two years of apprenticeship.

Whatever that means—

> This license is granted by a board of miners, all members of one union organization. The control over labor in the mines is consequently complete.

SUGGEST FORCIBLE LANGUAGE.

That statement is so outrageously untrue I find it very difficult to approach it in the proper kind of language.

Mr. SHERWOOD. Why not use the Dawes language?

Mr. CASEY. Hell and Maria! Is that it, General? Mr. Chairman and gentlemen of the committee, let me explain to you briefly the workings of this mine certificate law. It is charged that the State of Pennsylvania passed this law at the dictation of the miners' union; that the miners' union controls the boards; that none but members of its organization can be members; that it limits the number of apprentices that may be employed in a mine; that these apprentices must apply to a board controlled by the miners' union, and hence the miners' union controls the issuance of the miners' certificates and limits the number of apprentices that can be employed, and therefore controls the output of the anthracite mines. This law was placed on the statute books of Pennsylvania in 1889, before the United Mine Workers of America entered into the anthracite coal fields. This law was passed by the Legislature of Pennsylvania, which was owned and controlled by the Pennsylvania Railroad and by the coal operators of the State of Pennsylvania, because of the demands from the people of Pennsylvania to stop this wanton destruction of life and limb, and the members of that session of the Pennsylvania Legislature did not dare go back home without enacting some safety measure to prevent, what appeared to many, not only the unwarranted sacrifice of human life but the cold-blooded murder of the miners. The people of America, irrespective of their position in life, are particularly dear to me, dear to every man with red blood coursing through his veins. I want to see them happy, secure, and content. And so do you.

The anthracite mine employee was not happy; neither was he content. He went into that mine not knowing what would befall him before the end of the day. Danger lurked everywhere in that dark and gloomy place. The feelings of his family—those he loved and those who loved him—can better be imagined than described as he departed for his place of employment. They knew their husband, father, or brother was leaving and that perchance they would never see him again alive. The long and dreary vigil during the day, expecting every moment to hear the dreaded and terrifying ambulance bell, drove many a beloved mother to a premature grave. What dreadful days were those for the miner and his family.

SAFETY MEASURE DEMANDED.

The demand for a safety measure was general and insistent, and the bill making it obligatory for the mine labor to have two years' actual experience in the anthracite mines so that he might know the dangers of mine gas, how to blast coal, the care he should exercise in the handling of dynamite, how to protect himself and his associates from cave-ins, and so forth, was passed. The miners did not demand it. At the time they were not able to call their souls their own. They were helplessly bound down by unjust, as well as restrictive, conditions. They were compelled to deal at the company store. And if they did not they were discriminated against. And if they did, after working faithfully and continuously all through the month, they found on pay day that they were in debt to the company.

The deplorable conditions made it necessary to send the little tots, not more than 7 or 8 years, into the mines and breakers, where they worked 10 long hours in a cold, dusty coal breaker for the sum of 25 cents a day so that they may earn a few dollars to enable the families to exist, not live. The heart of the father went out to his offspring. He had planned greater or better things for his son. He had expectations of making a professional man of him, and now it had to be given up in order that the greed of these soulless corporations might be satisfied.

I am not talking to you from hearsay. I did not, like the gentleman from Massachusetts, visit two mines and base my conclusions upon an investigation at them. I am talking from actual experience. I was one of the little tots that ambled off to the breaker, hardly knowing the why or wherefore. When I look back now and recount the experience it seems indeed like a nightmare. I often wonder why we in the United States go so far away from home to relieve the suffering and distress of others when we have so much of it right here, possibly it is too close to us for us to see it.

THE ZERO HOUR.

How well I remember the rest period between the hours of 11 and 12 each day. I looked with the others to that hour with pleasant anticipation, because it would enable me to rest my tired little back and bandage my bruised and bleeding fingers. In the innocence of my heart I was not aware of the real reason for the lull in operations, but one day it was brought forcibly to mind when a member of my immediate family was brought up out of that mine a mass of bruised flesh and broken bones. Then it dawned upon me that the hour each day was used to hoist those who had been killed and injured during the preceding morning hours to the surface. Never again did I look forward to that rest hour except with horror or dread.

I knew, and so would the gentleman from Massachusetts if he were there, that at that hour sorrow, want, and hardship had entered many homes, and devoted sons, husbands, and fathers were no more. The operator was inconsiderate. His conscience had not been aroused by an indignant public, and it was not odd and unusual to observe the injured being taken to their homes in springless coal wagons. There were no doctors and no first-aid corps in or about the mines to ease the suffering of these unfortunate men. They had to get along the best they could. The company officials were not concerned. When a gas explosion occurred the first question asked by the mine boss was, "Are there any mules killed?" Mules cost money; men cost nothing. They were interested in the mules.

It was not unusual—I observed it often—after the funeral was over, after the last farewell was offered, to see the stricken family return from the cemetery and make arrangements to go to the poorhouse. And now, gentlemen, do you not believe that there was justification for the enactment of the mine certificate law? If it saved but one life, if it prevented but one family from hardship and from want, it justified its passage. And let me say that the repeal of this law would not reduce the price of coal to the consumer 1 cent. Its effect would be the destruction of human life, as stated before. Gentlemen of the committee, I know you. I am acquainted with your humane desires and know your honest inclinations to serve the people honestly and well. And I know that you would come to the defense of the anthracite miner if you knew the conditions under which he labored the same as I know them.

HELPLESS AND ALONE.

But let me add that, no matter what the miner felt in his heart, whatever may have been his preference, he had no say in the enactment of the law, because he was fearful of the wrath of the pettifogging officials. The miner had a soul, but it was not his own; he had a spirit, but it was broken, and he depended upon the righteous American public to eliminate the wrongs under which he labored. As an indication of his helpless condition, it was not unusual to see him attend one church one Sunday and a different church the next. He had to follow the boss in religion, as well as in politics.

It is easy to make an allegation. It is easy to make an investigation. But the whole truth should be known before information is given to this House and the public. We have had commission after commission investigate conditions in the anthracite coal fields. After some had spent months, and others years, the frank admission was made that the reports were incomplete, as it would take years to study anthracite conditions the way they should be studied, because of the dissimilar conditions in almost every mine. And yet the gentleman from Massachusetts gives out newspaper articles at great length and makes an extensive speech after visiting two mines and interviewing a few mine employees. Now, permit me to explain a little further the operation of the mine certificate law.

COURT APPOINTS EXAMINING BOARDS.

Now, how does it work out?

Mr. SHERWOOD. What year did the gentleman say that was?

Mr. CASEY. Eighteen hundred and eighty-nine. How does this law work? If what the gentleman states is true, then it is an ugly situation. But it is not true, and I challenge the gentleman from Massachusetts to produce evidence to substantiate his contention. There are union miners and nonunion miners on these boards. The miners' union has no more to do with the appointment of the membership of these boards than the Members of Congress have. The members of these boards are appointed by the judges of the Court of Common Pleas of the Commonwealth of Pennsylvania, and in the anthracite coal fields, where these appointments are made the judges in nearly every instance are creatures of the railroads and the coal companies, and they name the men who go on these boards, not the miners' union. [Applause.]

These corporations do not hesitate a moment to spend two to three hundred thousand dollars to elect one of their attorneys as judge of the court of common pleas in our locality; and it is men of that kind who appoint these boards. The union has nothing whatever to do with it. As I say, there are many nonunion men on the boards appointed by these judges. There is no such thing as a limitation of apprentices. There is no such thing as apprenticeship in the anthracite coal regions. It is alleged that the control of labor and output is complete because of the union organization. I never heard the word "apprenticeship," in so far as it relates to mining, used before. The law provides that any person who has had two years' actual experience in the anthracite coal mines of Pennsylvania may make application for examination to the board, and if considered competent by the board shall be given a miner's certificate for the purpose of going into the mine and taking charge of the blasting of coal in the face of the chamber or the gangway.

THE MINER AND THE MINE LABORER.

Now, it may not be amiss, my friends, to try and differentiate here between the miners and the others employed. Unfortunately it is understood by the great majority of the people when you speak of a miner you speak of everybody employed in the coal mines. That is not true. In addition to the miner, who is the man actually engaged in the face of the breast or chamber, charged with drilling the blasting holes, firing the shot, seeing that the place is properly protected against the sides squeezing in or the roof falling down, seeing that the gas is out of the chamber, and the men he has under his supervision—sometimes he operates with 1 helper and sometimes with 10 helpers; sometimes he operates 5 or 6 breasts or chambers, with 30 or 40 men working under him; and of the 30 or 40 men working with this miner, under the law only 1 man must have a certificate, and that is the man in charge of the operation.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CASEY. Yes.

Mr. BLANTON. We do not blame the gentleman for being a partisan of the miners, because he has been one of them.

Mr. CASEY. I take a great deal of pride in being a partisan of the miners.

Mr. BLANTON. I do not blame the gentleman at all. He tries to be fair.

Mr. CASEY. I try to be.

RESTRICTIONS NOT IMPOSED.

Mr. BLANTON. There is a restriction, though, in the way of keeping down the number of apprentices, is there not?

Mr. CASEY. Absolutely no.

Mr. BLANTON. Take our friend from Illinois [Mr. SPROUL], sitting over there. He is a big building contractor. He works lots of men. He will tell you that in every contract he has signed he has been forced not to have more than one apprentice during a period of four years' length of time.

Mr. CASEY. The best way I can answer the gentleman's question is that in my time I will yield to the gentleman from Illinois to produce his facts.

Mr. SPROUL of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CASEY. Yes.

Mr. SPROUL of Illinois. I do not think my friend from Texas meant to say anything but what was exactly right. I am in the building business, not in the coal business.

Mr. BLANTON. I was talking about building contractors when I made the reference.

Mr. CASEY. I am talking only about the anthracite-coal miners.

Mr. BLANTON. That was true in the contracts of builders.

Mr. SPROUL of Illinois. It was true until two years ago, when they removed the restriction.

Mr. BLANTON. You could have only one apprentice every four years?

Mr. SPROUL of Illinois. Yes; only one apprentice every four years.

APPOINTMENTS NOT MADE BY MINERS.

Mr. CASEY. Was that in the anthracite-coal mines?

Mr. SPROUL of Illinois. No; in the building trade.

Mr. CASEY. Please do not inject the building trade or any other irrelevant matter into this discussion. I am trying to answer the charges of the gentleman from Massachusetts [Mr. TREADWAY] on the anthracite situation.

Mr. BLANTON. Do they not control the situation by preventing would-be miners from getting miner's certificates?

Mr. CASEY. No. And I will undertake to convince even the gentleman from Texas that I am right.

Mr. BLANTON. I think the gentleman is fair, and I am listening to him intently, and I will be glad to have him convince me if he can.

Mr. CASEY. I believe I can do it.

I have explained that the miners have absolutely nothing to do with the issuance of these certificates. The members of the board who issue the certificates are appointed by the judges of the court. There are many nonunion men on the boards. There are thousands of nonunion miners cutting coal with miners' certificates, there are also thousands of nonunion mine workers who are not members of the miners' union, and there are hundreds of miners to-day walking the streets with certificates in their pockets, trying to get an opportunity to earn a livelihood for themselves and their families.

Mr. SHERWOOD. Is that in the anthracite coal region?

Mr. CASEY. Yes.

Gentlemen, the attempt to make it appear that the miners limit the number who shall receive miners' certificates, in order to justify the erroneous impressions made by the gentleman from Massachusetts, impels me to declare that his allegations relating thereto resemble a mess of pottage, served with the intent of satisfying the gullible and the unsuspecting.

Let me again state that there is absolutely no limitation on the number of apprentices or laborers that may be employed, and how the coal companies proceed to oversupply the anthracite fields with surplus labor. In every big city in the United States the operators have employment offices, employment bureaus, and every able-bodied man that can be persuaded is sent to the anthracite coal regions.

THE OVERSUPPLY OF MINE EMPLOYEES.

They have employment offices at every port of entry in this country, to engage and employ workers, paying their railroad fare, and placing them in the mines. The miner has absolutely nothing to say about it. They have done nothing to restrict it, and could not if they would, and would not if they could. That is the situation, notwithstanding the statement of the gentleman from Pennsylvania [Mr. WYANT], who the other day undertook to speak for the gentleman from Massachusetts [Mr. TREADWAY], when he made the positive declaration that there was no limitation on the number of apprentices in the soft-coal region, but that there is a limitation in the anthracite region. I yield now to the gentleman from Pennsylvania [Mr. WYANT] time in which to take the floor and produce the facts to justify that statement. I challenge that statement. It is not true. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. CASEY. I would like to have additional time.

Mr. BYRNS of Tennessee. How much more time would the gentleman like to have?

Mr. CASEY. At least 30 minutes.

Mr. BYRNS of Tennessee. I do not believe I can yield that much time, but I will yield the gentleman 10 minutes additional.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 10 additional minutes.

Mr. CASEY. Mr. Chairman, under the circumstances I will be compelled to ask unanimous consent to extend my remarks in the RECORD, so that I may more fully explain some of the statements I have been compelled to make briefly because of lack of time to explain them at this time.

HOW THE OUTPUT OF COAL IS LIMITED.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. CASEY. I do not believe I can finish in less than 30 minutes.

Mr. BYRNS of Tennessee. Then I will yield the gentleman 20 minutes additional.

Mr. WEFALD. Mr. Chairman, I ask that this gentleman be given all the time he wants, because it is the most important speech that has been delivered on the floor at this session. [Applause.]

Mr. CASEY. I thank the gentleman.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 20 additional minutes.

Mr. CASEY. Now, then, we come to the limit of output, and that is important. I think this will answer the question of my friend from Texas [Mr. BLANTON]. There is a limitation of output, that is true; but there is no limitation of output by the miners' union, because it has nothing to do with it.

The limitation of output is the capacity of the coal mine or the coal breaker to handle the coal that is mined by the miners and sent out to be prepared for market. If the anthracite operators desire to increase the output of coal, they could well afford to spend some of their enormous profits by increasing the capacity of the mine or the coal breakers in order to prepare the coal for market. In that way they would eliminate all question of limitation of production.

EQUAL DISTRIBUTION RIGHT AND JUST.

The gentleman from Massachusetts, Mr. TREADWAY, lays particular stress upon an allegation to the effect that certain miners have been fined for loading more than two or three cars per day. By whom were they fined? If a car of coal contains a certain amount of slate or dirt or does not have the proper topping on it as fixed arbitrarily by the coal company, the company docks or fines him; they deduct a certain amount from his pay. But I do not believe that he had been fined for loading two cars per day, because he could not make a living after paying his laborer and other expenses from the revenue therefrom. In giving consideration to the capacity of the coal breaker to handle the production of the miners, and the further fact that they want to try to prevent favoritism among the miners, the pets of the bosses, I believe it was right and proper to have written into the agreement between the operators and the miners a provision that there shall be an equal distribution of mine cars to the miners in the mine. Before that provision was written into the agreement the mine boss might like a miner and he would be given five or seven cars a day; if the mine boss did not like some poor fellow, he would be given one car a day or maybe he would get one car in three days. In order to prevent that and to see that justice was done to all alike and no favoritism shown, they did adopt the rule that there should be an equal distribution of mine cars to the miners. So when Mr. A got his allotment, then they had to go to Mr. B and on down the line; but if when they got to B, C, and D, and the rest of them, they were not able to handle the cars, they came right back to A and gave him all the cars he was able to load and send out, positively no limit.

As far as the miners' union is concerned, there is absolutely no limitation on production; there is absolutely no limitation on apprentices; and there is absolutely no control of mine labor, because of the operation of the miners' certificate law, and I challenge anyone to refute the statements I have made.

INFORMATION THAT TENDS TO MISLEAD.

I find I will have to pass over a great deal of the speech of the gentleman from Massachusetts, because I have not the time to cover it. I will now refer to the colloquy between Mr. THOMAS of Kentucky and Mr. TREADWAY. Mr. THOMAS said:

> These miners are paid by the ton, are they not?
>
> Mr. TREADWAY. They are.

That is a positive statement. He says, "They are," but I challenge it. It is not true. Mr. THOMAS said:

> How much a ton?
>
> Mr. TREADWAY. They are allowed to mine two cars of coal per day, and a car of coal brings them $3.53. At the place where I made my inquiry a miner told me that his pay for that day was $7.06.

Now, that does not mean anything because the gentleman does not tell you where the mine was located so that we can check it up; he does not tell you whether or not the cost of supplies and everything else used by the miner were taken out of that $7.06; he does not tell you whether or not this miner, out of that $7.06, had to pay his laborer a day's wages. These general references mean nothing. They are apt to mislead; yes, fool many honest people unless corrected. Continuing, Mr. THOMAS said:

> Then how much are they paid per ton? Did the gentleman find that out?
>
> Mr. TREADWAY. As I am informed, the contents of a car that they load for $3.53 weighs something over 2 tons, so that it would be about $1.70 a ton.

THE PHANTOM MINE.

I have no idea where the mine is that the gentleman from Massachusetts visited; probably it is located in Massachusetts. I do not know of any such mine in the anthracite coal fields. He says the miners are paid $1.70 a ton, but I know of no place in the anthracite coal fields where they are paid more than 93 cents a ton, and I do know of mines where they pay as low as 36 cents a ton. And right in that connection, it might not be amiss for me to read a little pencil sketch I have, being a diagram of a miner's working place at No. 6 Colliery, Lansford, Pa., owned by the Lehigh Coal & Navigation Co. This space on the diagram [indicating] represents the main working place

of the contract miner going up the pitch, that means going up an incline.

This diagram represents a contract miner's working place, which is 45 feet long, 45 feet thick, and 24 feet wide.

It gives the amount of cubic feet of coal that would come out of this space and is multiplied by the average weight of a solid cubic foot of 98 pounds to the cubic foot. This coal, however, in the Mammoth vein in the Panther Creek Valley mines weighs 96 pounds to the cubic foot, but we multiply it by 93 pounds. This space contains 48,600 cubic feet, times 93 pounds equals a total of 4,519,800 pounds, divided by 2,000 pounds equals 2,259 tons.

DIAGRAM OF A MINE CHAMBER.

In those cuts that are 15 feet thick, 24 feet wide, and 30 feet long the contract miner is paid $9.15 per yard for 10 yards cutting back to the top rock, or he is paid a total of $91.50 for mining this space. (This is a cut back to the top rock from the top of the main working place.)	This space represents the main working place of the contract miner going up the pitch; this space is 45 feet long, 24 feet wide, and 15 feet high; the miner is paid $22.42 per yard for working this place, or he was paid a total of $336.30 for 15 yards of breast. This diagram represents a working place at Lansford, Pa. Operated by the Lehigh Coal & Navigation Co. The loading cost is about 9 cents per ton.
This space is identical to the above space, and the contract miner receives the same amount of money for mining this space, or a total of $91.50. (This is a cut back to the top rock from the top of the main working place.)	
This space is identical to the above spaces and the contract miner receives the same amount of money for mining this space, or a total of $91.50. (This space is cutting back to the top rock from the roof of the main breast, going up the pitch.)	

EARNINGS AND EXPENSES.

The space of coal represented in this diagram is 45 feet long, times 45 feet high, times 24 feet wide, represents the length, the thickness, and the width, or a total of 48,600 cubic feet of coal. The weight per cubic foot is 93 pounds; times 48,600 cubic feet equals 4,519,800 pounds of coal; divided into tons of 2,000 pounds, gives them 2,259 tons of coal; divide the 2,259 tons into the amount of money, $610.80, received by the contract miner for mining this coal, and you get about twenty-seven and a fraction cents per ton.

Out of the miner's gross earnings of $610.80 he must pay for his dynamite, light, paper, tools, smithing, etc. That would possibly cost the contract miner about $45 to mine the above space. Deduct his costs from his gross earnings and he would have a balance of $565.80. This work is generally done by two miners and the earnings are divided 50-50, or $282.90 each, for mining 2,259 tons of coal. Add to this about 9 cents per ton for loading the coal into the mine car and you have the cost to the operator, which is about 27 cents plus 9 cents for loading, or a total of about 36 cents per ton.

WORKING CHAMBER DESCRIBED.

This space is 45 feet long—that is, 45 feet clear through—24 feet wide—that is, 24 feet this way [indicating]—and 15 feet high. That means a vein of coal 15 feet thick, or from the floor to the ceiling it will be 15 feet. The miner is paid $22.42 per yard for working this place, or he was paid a total of $336.30 for 15 yards of breast.

Now, the other part of the working is described as follows: This diagram represents a contract miner's working place, which is 45 feet long, 45 feet thick, and 24 feet wide. It gives the amount of cubic feet of coal that would come out of this space and is multiplied by the average weight of a solid cubic foot of 93 pounds to the cubic foot. This coal, however, in the Mammoth vein in the Panther Creek Valley mines weighs 94 pounds to the cubic foot, but we multiply it by 93 pounds. This space contains 48,600 cubic feet, times 93 pounds, equals a total of 4,519,800 pounds, divided by 2,000 pounds, equals 2,259 tons of coal. Then we take the other workings. In those cuts that are 15 feet thick, 24 feet wide, and 30 feet long the contract miner is paid $9.15 per yard for 10 yards cutting back to the top rock, or he is paid a total of $91.50 for mining this space. These two spaces in the diagram [indicating] are identical with the space above, and the contract miner receives the same amount of money for mining each space, or a total of $91.50 for each. Now, the total of 2,259 tons is divided into the amount of money, $610.80, received by the contract miner for mining this coal, and you get about 27 cents a ton. Out of the miner's gross earnings of $610.80 he must pay for his dynamite, light, paper, tools, and everything else that goes into the operation. That would possibly cost the contract miner about $45 to mine the above space. Deduct his costs from his gross earnings and he would have a balance of $565.80.

HOW THE MINERS WORK.

This work is generally done by two miners, and the earnings are divided 50-50, or $282.90 each for mining 2,259 tons of coal. Add to this about 9 cents a ton for loading the coal in the mine car and you have the cost to the operator, which is about 27 cents, plus 9 cents, for loading, or a total of about 36 cents per ton. That is what it costs the operator for the miner to blow the coal down, load it into mine cars, and get it ready to be taken to the surface from underground. Yet the gentleman from Massachusetts claims a miner receives $1.70 a ton for cutting and loading coal.

Mr. CONNERY. Will the gentleman yield?

Mr. CASEY. Yes.

Mr. CONNERY. The gentleman said in his speech that the mine my colleague from Massachusetts [Mr. TREADWAY] visited must have been in Massachusetts instead of Pennsylvania. I wish to assure the gentleman that the people of Massachusetts are fair-minded. I do not think we have any mines up there, but I know the people of Massachusetts, who are always liberty loving, will be very much interested in the speech of the gentleman from Pennsylvania [Mr. CASEY] to-day, because it will enlighten them considerably as to why they are paying such high prices for coal.

Mr. CASEY. With all due respect to what the gentleman from the New England States says, permit me to add that during the miners' strike it was generally recognized that New England was the most hostile part of the country to the miners' cause, and for the purpose of describing the true conditions I volunteered my services without cost to the miners to tour the New England States, with headquarters at Boston, and tell the miners' side of the dispute; or, in other words, to tell the miners' story. I only got as far as New York, after spending two months in Pennsylvania, New Jersey, and New York, when the glad tidings came that there had been a conference called to settle the strike.

THE COST OF COAL PER TON.

Mr. COOPER of Wisconsin. Will the gentleman permit a question?

Mr. CASEY. With pleasure.

Mr. COOPER of Wisconsin. Can the gentleman give an idea of the approximate cost of anthracite coal during the last two or three years f. o. b. at the mines ready to go into the Middle West?

Mr. CASEY. Well, that is a very difficult question.

Mr. COOPER of Wisconsin. I have heard it put at from $5 to $6.

Mr. CASEY. Oh, of course, the operators will say anything, but we who have lived there know different. I have just shown you by an illustration here that 36 cents is the cost of blowing down the coal and paying for the supplies that go with it, and loading it on the car ready to haul it out and all the additional expense involved is hooking it onto a motor or engine and hauling it to the foot of the shaft and hoisting it up and dumping it into a coal breaker and loading it into a car. Then you have it f. o. b. mine; but I am going to answer the gentleman's question direct.

CONSUMERS PAY $24 PER TON.

Mr. COOPER of Wisconsin. I am in sympathy with what the gentleman has stated, but I wanted him to analyze the statements that have been made to me. If it costs, as you say, only that very small amount of 36 cents a ton to blow it down, the additional cost to get it up and put it into the car could not make it f. o. b. anything like $6, could it?

Mr. CASEY. Oh, no; the way that is done is——

Mr. COOPER of Wisconsin. Just let me continue right there a moment. Yet, in my district, in a city of 20,000 people, Beloit, a smart manufacturing town, the seat of Beloit College, the junction of two trunk-line railroads, the Chicago & North Western and the Chicago, Milwaukee & St. Paul, within 100 miles of Chicago, they paid, in January, 1921, when I was told the cost was $6 f. o. b. the mines, $24.50 a ton for anthracite coal.

Mr. CASEY. I am going to try to answer the gentleman's question direct. You ask for the labor cost of a ton of anthracite coal f. o. b. railroad car mine. Is that the gentleman's question?

Mr. COOPER of Wisconsin. Yes; I want to know what the approximate figure is.

Mr. CASEY. I do no believe there is anyone in the United States, outside of the operators, who know what it is, because the operators juggle the figures and the miners have no way of ascertaining the facts, but we are led to believe by those who are working on the inside that we have the labor cost of

a ton of anthracite coal f. o. b. railroad-car mine as low as $2, $2.01, and $2.03. The figures shown by the Bureau of Mines of Pennsylvania, which are based upon the reports of the mine inspectors as to the number of men employed and the tonnage per month, run up to about $2.99, if I remember correctly, but the operators contend it is $4.12.

THE WASHERY COAL.

Mr. BLANTON. Will the gentleman yield there?

Mr. CASEY. In just a moment. I am well acquainted with the coal you are referring to. For it, according to your statements, the public is paying $15, $20, and $24 per ton. Some of it costs the operators from 15 to 19 cents a ton, f. o. b. railroad-car mine.

The washery coal is taken from a coal or a culm bank. Years ago it was considered unsalable and piled in huge heaps, somewhat like a mountain, in close proximity to the breakers.

There were millions and millions of tons of it lying about until the demand for coal, irrespective of the size, exceeded the supply. Then the plan was arranged whereby this refuse was utilized; and at this point let me add that this refuse cost the companies nothing. The miners were not paid for mining it, and in some instances were fined or docked for sending it to the surface.

To make the refuse marketable, washeries, or small breakers, were constructed near the culm banks. A line of conveyers are then constructed from the culm banks to the washeries. A stream of water washes the culm into the conveyers, and the latter carries it into the small breakers, where it is washed down chutes into jigs and shakers. The latter separate the sizes into what is known as chestnut, pea, buckwheat, etc. Very little, if any, man power is used. The overhead is nil. The cost per ton is from 15 cents to 19 cents. And yet the records show that the public pays $15, $18, $20, and $24 per ton for washery coal.

WHO ARE THE CONSPIRATORS?

If the gentleman from Massachusetts was desirous of digging up a conspiracy, why did he not, if he wanted to be fair, if he wanted to be just to all concerned, enter into this phase of the anthracite situation? If he was seeking truth he could have obtained this information for the asking. Evidently the belief was entertained that it was much easier to cast reflection upon the good name of the mine employees, who have no publicity weapons to answer such attacks.

The allegation that the miners entered into a conspiracy to defraud the American people to increase the price of coal was sure of getting prominence, and the accuser was equally as sure of getting publicity. The miner has no say in the establishment of coal prices. He never was consulted, and probably he never will be. And I stand here, not officially speaking for him, but as one who knows his liberality, his goodness of heart, and protest against the method of using the House of Representatives for the submission of unsubstantiated charges. [Applause.]

Let me also add that it will be found that the miner is no longer a helpless industrial slave; he is no longer subject to the whims or the dictation of unscrupulous bosses. He is free; he is independent on the industrial field, thanks to the United Mine Workers of America, and let us hope he will soon be free politically, as he surely will be if he is true to his union organization. He is not afraid to meet a foe wherever he finds one. And it may be possible that a few miners may be found in Massachusetts telling the true story of the anthracite miners and telling it in a more impressive and eloquent way than I am telling it here this afternoon.

OVERHEAD CHARGES DISCUSSED.

Mr. BLANTON. Will the gentleman yield now?

Mr. CASEY. I will yield with pleasure.

Mr. BLANTON. The gentleman has very frankly told us what the mining of coal cost up to the time it has been loaded into the mine cars, ready to go to the shaft. Of course, he does not know about the overhead charges; but will he not continue and tell us just what that coal costs from the time it is put in those mine cars until it gets to the top of the shaft and goes into the railroad cars?

Mr. CASEY. I can not do that, because all it means is connecting the car onto a train that is being pulled by a motor run by one man and running it out to the shaft and hoisting it up. That cost is very little.

Mr. BLANTON. Approximately, how much per ton?

Mr. CASEY. I do not know exactly; but very little.

Mr. BLANTON. Would 10 cents a ton cover that?

Mr. CASEY. I think so. But the difficulty is not there. The difficulty is not down in the mine or with the miners or the miners' union. This difficulty is within the confines of the financial district of New York. That is where the trouble is. [Applause.] They own the railroads; the railroads, in violation of the decisions of the Supreme Court and in violation of the law, own the coal mines. The coal operators, in turn, organize sales agencies, and the sales agencies, in turn, pay tribute to the transportation companies. It is just a wheel starting in the financial district of New York and going around in a circle and going back into New York again. The miners have nothing to do with it.

THE NEW YORK FINANCIAL WHEEL.

Mr. CONNERY. The miners had nothing to do with the levy by the State of Pennsylvania?

Mr. CASEY. No; they fought the passage of that law and advocated its repeal.

Mr. CONNERY. I am in sympathy with the entire policy of the miners' campaign, but I wish the gentleman would explain to the people of Massachusetts and the public the reason why he said that New England was hostile to the miners.

Mr. CASEY. Because they did not know the truth; they were fed on this untruthful propaganda.

Mr. CONNERY. They were misled by propaganda, and his speech will enlighten the people of New England.

Mr. CASEY. They were hostile during the strike, and I did not have a chance to visit Massachusetts and talk to its people.

Mr. CONNERY. We would be glad if you would.

Mr. CASEY. Now, gentlemen, I wish to take up another allegation made by the gentleman from Massachusetts. He speaks of the conditions of the winter of 1922–23. He says, and I quote from his speech:

TRYING TO SHIFT THE RESPONSIBILITY.

I wish to call the attention of those representing sections not directly affected by the supply of anthracite to the conditions confronting us during the winter of 1922–23. The situation in my district was typical of nearly all New England and was almost appalling. Resumption of mining had not been long enough underway to replenish the absolutely empty bins of the dealers.

The foregoing allegation can not be substantiated. Anyone who is acquainted with the anthracite situation knows that the recent strike was settled in the early part of September, 1922, and the great strike of 1902 was not settled until the 29th of October of that year. The New England States, notwithstanding that the latter strike was settled some 60 days later in the year, had not experienced difficulty in getting a plentiful supply of coal.

Had the gentleman pondered, had he reflected, if he visited a railroad office or two, and had they told him the truth, he would have been informed that the reason for the shortage of coal during the winter of 1922 and 1923 was not due to any restrictions imposed by the mine employees or because of the strike, but it was due entirely to faulty motive power.

The strike of 1922 was settled 60 days earlier in the year than that of 1902. This fact was not taken into consideration. The gentleman, in his hurry, had to blame the shortage on some one. The miner seemed to be able to shoulder the accusation better than anyone else. There was publicity to be obtained and a speech to be delivered. Speed was an essential requirement.

I am wondering—perhaps I should not say this—but I am wondering if the charges made against the miner was not for the purpose of shifting the responsibility from those who were really responsible to the shoulders of the miners. There was no great scarcity of coal either during or at the close of the 1922 strike.

THE USELESS MOTIVE POWER.

The gentleman talks about closing down the churches, closing the municipal buildings, closing the schoolhouses, and so forth—a very deplorable condition—but that was only anticipated. We in the anthracite region actually closed up churches, municipal buildings, and schools with millions and millions of tons of coal prepared for market on the railroad sidings awaiting to be moved by the railroad companies. They were unable to move this coal because of their broken down and almost useless motive power. The unlawful action of the Attorney General and the conspiracy of those who were in charge of the Government of the United States at that time, with the railroad companies, brought on the railroad shop strike; this is the cause of the trouble complained of, and there is where the responsibility for the scarcity of coal must rest. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BYRNS of Tennessee. The gentleman is making a very instructive and able speech. There are many others who want

time, but I will take the liberty of yielding the gentleman five minutes more.

The CHAIRMAN. The gentleman has occupied one hour, and the time can not be extended unless by unanimous consent.

Mr. BYRNS of Tennessee. I ask unanimous consent, Mr. Chairman, that the gentleman's time be extended five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

THE SLIDING SCALE DISAPPROVED.

Mr. CASEY. Why, gentlemen, the time that I am talking about is the winter of 1922-23, after the strike was settled, with millions and millions of tons of coal lying on the siding with no motive power on the transportation lines of the country to move this coal into New England States or elsewhere. Some of the municipal authorities in our locality took it upon themselves to hire trucks and laborers to go down to the siding and take the coal out of the cars that belonged to the coal companies so that the municipal buildings, the churches, and the schoolhouses could be opened. Anarchy? Yes. But was it justifiable? The gentleman from Massachusetts only referred to the anticipated conditions in Massachusetts. We, who live in the locality where the mines are, could not get coal.

Mind you, after the strike was settled and the miners were back working in the mines, the broken-down and almost useless transportation system of the country was responsible for these conditions—not the miners. The miners were going into the mines and coming out at 9 o'clock and 10 o'clock every day, and in some cases they actually struck for the privilege of being permitted to go into the mines to mine coal. [Applause.] And, notwithstanding this, they are charged with entering into a conspiracy to limit production and gouge the American people.

This charge of conspiracy emanated from the report of the Roosevelt Coal Commission of 1902, which settled the great strike of that year. That commission wrote into the agreement that there should be a sliding scale for the miners; that when the selling price of coal increased at tidewater the miners' wages should increase proportionately; the American press and the public were not long in charging that this was a conspiracy on the part of the miners to get increased wages.

MINERS' POSITION CLEARLY DEFINED.

The miners had nothing to do with it. They were against it; and it has never been written into the agreement, since they demanded this provision be eliminated. They were not responsible for it in any way, and repudiated it at the first opportunity. The gentleman from Massachusetts speaks about the public not being represented at the conferences. The Congress of the United States appropriated $600,000 and appointed the United States Coal Commission to represent the public in these negotiations.

The President of the United States participated in those negotiations, so did the Secretary of Labor, the Secretary of Commerce—everybody representing the public participated. What happened? When all these representatives of the public got right up to the point where they were going to fail, they ran away and handed it over to the Governor of the State of Pennsylvania to settle. They thought they were handing him a lemon; they thought they were going to break his back and destroy his presidential aspirations, but he had the courage to settle the strike, whether justly or unjustly, it is not for me to say. Yes; he settled the strike when all these so-called representatives of the public ran away.

Gentlemen, I can sit in my home back in the coal fields of Pennsylvania and while rocking my baby to sleep I can hear the miners blasting coal from beneath my home. I can feel the vibration of the building. When on the back porch of my residence I can see this very coal being hoisted out of the mine and dumped into the breaker. I order a ton of it, and it is hauled two blocks to my home and placed in my cellar for $9.40 a ton. There are no sales agencies, no transportation question involved in this transaction.

THE MINER AN IDEAL CITIZEN.

I do not often take up the time of the House, but I could not be satisfied with myself or with my lifelong convictions, nor would I be true to my lifelong associates or the good people who sent me here, if I remained silent and allowed the unjustifiable and outrageous allegations of the gentleman from Massachusetts to go unchallenged or unanswered. He spoke to the country and while doing so he created the impression that he is an authority on the anthracite coal-mining industry.

The newspapers vividly described his doings and gave considerable space to his impressions. Had he stopped to ponder or reflect, perhaps the realization would be apparent that he was discussing the acts, the doings, and the employment of American citizens truly as patriotic, truly as sincere, truly as great as the people of New England. He would have found people with the same hopes, the same principles, and the same rugged honesty as characterizes the people of other sections of the country. He would have found men who want only justice, and are willing to accord the same right to every other American.

But I regret to say that the gentleman did not ponder, nor did he reflect upon the gravity of his accusations, but ran away after visiting two mines and conferring with a few people and prepared a speech replete with misstatements and in direct variance with true conditions. Then he cooked up this unholy mess and presented it to the House and to the country as the facts in the case. I take from this unholy mess the miners and the miners' organizations, and I hurl it back into his teeth and ask him to lay it on the steps of his own party, both in State and Nation, where it properly belongs, and not at the doors of the miners of the anthracite region. And I say to him that for the wrongs the miners have suffered, for the injustice imposed upon them, for the animosity that has arisen because of the accusations contained in his speech he may be given further opportunity to explain. And let me say further to the gentleman that if the laws of which he complained are unfair and unjust he can again place the responsibility on his own party in the State and in the Nation, where it rightfully belongs. It alone is responsible.

PEACEFUL, LAW-ABIDING, AND HOME-LOVING MEN.

Mr. Chairman, before closing I desire to say a few words about the miners of the anthracite coal fields. They have been painted by some of the newspaper reporters as a lot of Socialists, Bolsheviks, and so forth; that they do not believe in the institutions of this great country. Many living outside of the coal fields are led to believe by these reports that they are a lawless, unruly mob. Nothing is further from the truth. These men and their families are liberty-loving, law-abiding citizens. It may interest you to know that Hon. Daniel L. Hart, the mayor of the city of Wilkes-Barre, Pa., my home town, has made the statement on several occasions that notwithstanding that the miners were on strike for almost six months in 1922, not a single arrest of a miner or a member of a miner's family was made during this great strike. The prosecuting attorney, Mr. Arthur James, of Luzerne County, which has a population of about 400,000 people, personally informed me that not a single case of a miner was presented to the grand jury during the strike or at its conclusion. This, I believe, gives a fair idea of the caliber of the miner and his family. This is, in my judgment, the very essence of Americanism—a love and respect for law and order. Gentlemen, those of you who do not live in the anthracite coal fields, of course, do not know the hardships of those employed in the coal mines. It will, no doubt, be interesting for you to know that these miners, who, the gentleman from Massachusetts [Mr. TREADWAY] charges with having entered into the spirit of greed because they want their wages increased beyond $1,140 a year for 272 days' work, mine four times as much coal as any other miners in the world. I am wondering if the gentleman from Massachusetts would be contented to mine four times as much coal as any other miner in the world for $1,140 per year and be compelled to work 272 days to earn this amount. It may also be interesting for you to learn that the peak in the high cost of living was about 110 per cent, while the contract miners' wage was increased 65 per cent over pre-war wages. This left these miners working for a reduction of 45 per cent. Still the gentleman from Massachusetts charges them with entering into the spirit of greed. These miners are actually working for 45 per cent less wage than their pre-war wage, because it is not the number of dollars in the pay envelope that counts; it is the purchasing power of the dollars contained therein.

WIDOW'S PATHETIC APPEAL.

The following pathetic letter from a crippled widow will give you a fair idea of conditions in the coal fields:

JANUARY 25, 1924.

DEAR MR. J. CASEY: As I am writing this letter to you and I hear that you have something to do about coal. I am a poor widow and can't pay $11.50 for coal, for I only have a poor, sickly girl working and only making $10 a week and have to live and pay rent out of that and buy coal, and I can't do it. If I was living in Wilkes-Barre, I could get it for $9.40 a ton, but I am in Kingston, and I have it so hard to get along, and I thought that I would write to you to see if I couldn't get it a little cheaper, for I am a cripple and can't work myself and only have a young girl working. I had to have coal and bought a ton yesterday, on the 24th, and had to pay $11.50 for it.

Yours very truly,

MRS. THOMAS O. BOYLE,
326 Wyoming Avenue, Kingston, Pa.

In way of explanation of this letter, let me say the coal operators or the sales agencies—I don't know which—divided the territory into districts. People living in Wilkes-Barre are permitted to buy coal for $9.40 a ton. People living in Kingston—the difference is purely an imaginary line—are compelled to pay $11.50 a ton for this same coal. That is a difference of $2.10 a ton. The following clipping from the Wilkes-Barre Evening News, January 30, sheds further light on this question:

LOCAL ORDERS DENIED—COAL SALE AT WOODWARD IS STOPPED—PUBLIC GOT CONSIDERATION FOR TWO DAYS, THEN CAME A NEW ORDER—OLD RULE NOW IN FORCE.

The general public will not be allowed to purchase coal at the Woodward mines. The public, jubilant for two days at the news that teamsters could at last supply them with a good brand of anthracite at a reasonable price, namely, $6.95 per ton, is now sadly disappointed at the strict rules that govern the purchase of hard coal right in their midst.

The people of Middletown, Conn., or Worcester, Mass., may purchase coal from the Woodward, but the people of Hillside Avenue, Edwardsville, can not get Woodward coal * * *.

The line of teamsters and trucks that wended their way to the Woodward colliery the past two days knew no bounds and this must have excited the officials at Scranton, for down came the rule that the old order of things must prevail, that the buying public must buy their coal elsewhere than the Woodward.

The West Side people can not even go to Wilkes-Barre and haul their coal. They must buy their coal from the West Side, but only at certain collieries on the West Side.

The following clipping from the same paper of January 29, 1924, will no doubt give you some idea of what these miners are compelled to endure:

THE DISASTROUS MINE CAVES.

One of the most serious cave-ins reported in the East End section in months occurred shortly after noon to-day, when, without warning, a large section of the surface beneath a double and a single house on Spring Street dropped 35 feet in the mine workings of the Baltimer vein of the Hudson Coal Co., where miners are said to have been engaged for some time robbing pillars. The sudden subsidence of the earth caused a near panic in the neighborhood, and many families fled for their lives, fearing their homes would be enveloped.

Two minutes after, articles in the cellars of the properties of William Burke, at No. 128, and Thomas Leonard, at 130 Spring Street, rattled noisily as they were precipitated into the breach. The two houses were left with sections of cellar wall 20-feet long utterly devoid of support. The mortar in the walls of the basements remained intact, however, leaving the houses resting on the rear and front portions and a foundation of about 9 or 10 feet of earth. Fortunately the furnaces in both residences were located in the forward parts of the cellar, and these were not overturned to in turn ignite the homes and cause a fire.

The Burke and Leonard families fled to the street and were immediately joined by scores of others. Messages were sent the Hudson Coal Co. officials, and Superintendent Flynn and a force of men summoned from the inside workings started an investigation at 1 p. m. In the meantime the city hall was notified and police officers were dispatched to the scene to guard the place and prevent personal injuries to crowds of curious. Whether the cave will spread and engulf the two dwellings can not be stated by the mine officials, who will late this afternoon make an investigation inside the abandoned vein to learn the cause and the extent of the fall or slide.

MINERS HAVE NO REDRESS.

The cave hole is fully 75 feet in diameter and runs directly through the center of the lots upon which the homes are situated. Both the double and single houses affected are of frame construction and at no time since they have occupied them did either owner believe them endangered. The families affected are those of William Burke and Con McGroarty, who resides with him in the single house, and Thomas and James Leonard, brothers, who live in the double structure. Burke is himself a miner for the Hudson Coal Co., working at the Baltimer colliery, and Leonard is employed as an outside hand at the same place.

Gentlemen, bear in mind that the miner has no redress in the courts of Pennsylvania for a condition such as described by the above statement. The Legislature of Pennsylvania has passed what is known as mine-cave legislation to give relief in cases of this kind; the courts have declared these laws unconstitutional. Still the gentleman from Massachusetts would have you believe and have the country believe that the miners have entered into a conspiracy with the operators to gouge the American people and bring upon themselves the terrible conditions which I have just pictured to you. And, gentlemen, let it not be forgotten that every time the operators increase the price of coal to the people of Massachusetts these same operators increase the price of coal to the miners. The miners are just as much the victims of this vicious system as are the people of Massachusetts.

THE LAW A DEAD LETTER.

The gentleman from Massachusetts quotes the Governor of Pennsylvania as follows:

The 10 great railroad companies which produce three-fourths of the coal.

Then, again, he quotes the United States Coal Commission, as follows:

The commission states that five railroad companies engaged exclusively in mining of coal.

It can hardly be said, if these conditions exist, that they are not in direct violation of law and the decisions of the Supreme Court of the United States. Surely we do not need additional legislation for this. What is needed, and very badly, is Executive action. To confirm this, the gentleman states:

Under the Sherman Antitrust Act the railroads are not supposed to own the mines or to be engaged in mining, but the law is a dead letter.

THE ATTORNEY GENERAL SHOULD ACT.

Why is it a dead letter? Does the gentleman believe that additional legislation will in any way relieve the situation complained of? Why not have Congress pass a resolution calling upon the President to direct the Attorney General to enforce the laws now on the statute books and break up these unlawful trusts and combinations? To do so would place the responsibility where it rightfully belongs and not upon the heads of the miners, who, God knows, have enough difficulties to endure without carrying those of others. It appears to me that the gentleman from Massachusetts has something else in mind other than the breaking up of these unlawful trusts. It appears his solution for this situation is the passage by Congress of a compulsory work law; forced labor in violation of the Constitution of the United States. I quote from the gentleman's speech:

(1) Recommendation of the commission providing against a national emergency, to which President Coolidge refers in his address in the following language:

"The supply of coal must be constant. In case of its prospective interruption the President should have authority to appoint a commission empowered to deal with whatever emergency situation might arise, to aid conciliation and voluntary arbitration, to adjust any existing or threatened controversy between the employer and the employee when collective bargaining fails, and by controlling distribution to prevent profiteering in this vital necessity."

THE ADMINISTRATION'S DRASTIC PROPOSAL.

I call your attention to the following languge: "To aid conciliation and voluntary arbitration, to adjust any existing or threatened controversy between the employer and the employee when collective bargaining fails." Does this language mean anything other than a compulsory work law—forced labor? I again quote from the gentleman's speech as follows:

This is the administration's approval of the following recommendation of the Coal Commission:

"The President of the United States should be authorized by act of Congress to declare that a national emergency exists whenever, through failure of operators and miners in the anthracite industry to agree upon the terms of employment or for any other reason, there is a suspension of mining operations seriously interrupting the normal supply of anthracite fuel in interstate commerce, and to take over the operation of the mines and the transportation and distribution and marketing of the product, with full power to determine the wages to be paid to mine workers, the prices at which the coal shall be sold, and, subject to court review, the compensation to be paid to land and mine owners."

PRESIDENT COOLIDGE QUOTED.

Here the gentleman assumes to speak for President Coolidge and the administration. Let me call your attention to the following language in the above statement:

"With full powers to determine the wages to be paid the mine workers," and so forth, "and subject to court review." If this does not mean compulsory labor—forced labor—what does it mean? So that there may be no doubt about the intention of the gentleman from Massachusetts and the President on this question, he closes his speech with the following quotation from President Coolidge's address:

Those who undertake the responsibility of management or employment in this industry do so with the full knowledge that the public interest is paramount, and that to fail through any motive of selfishness in its service is such a betrayal of duty as warrants uncompromising action by the Government.

I believe it is quite proper that I should also close my remarks with the same quotation from the President's address

with the hope that it may serve to open the eyes of those who are against legislation of this character. [Applause.]

MINER'S POSITION DESCRIBED.

Mr. Chairman, I have a brief, which is very short. It gives a great deal of detailed information upon the subject. It gives the miner's side of the question. If it is the desire of the House, I ask unanimous consent that I may be permitted to insert it as a part of my remarks.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD by printing therein a brief. Is there objection?

Mr. BLANTON. Reserving the right to object, we have already had this $600,000 Coal Commission's report, which is about half of a foot thick, on legal-cap paper. How large is this brief?

Mr. CASEY. Oh, I should say about 20 pages.

Mr. BLANTON. I have no objection.

The CHAIRMAN. Is there objection?

There was no objection.

The brief referred to is as follows:.

OVERCHARGES IN EACH BRANCH.

Hon. JOHN HAYS HAMMOND,

Chairman, and Members of the United States Coal Commission.

GENTLEMEN: We hereby accept your invitation to offer suggestions as to the range of facts that should be known about the anthracite industry and the ways by which they should be found out and made public.

We realize that it will take time to get the essential facts, but that without them any pronouncements that might be made about the industry by strangers to it would be quite worthless.

To show you from our more intimate knowledge of the industry the complicated problems of fact finding that Congress has set you, we present certain tables and estimates as close to the truth as it is permitted by the very limited information made public.

From these we conclude that the present monopoly organization of anthracite, through overcharges in each branch of the business, adds at least $3.61 per ton, which is immediately discoverable, to the present price the consumer pays, and much more which can not be exactly estimated.

	Per ton.
I. In mining, an average overcharge of	$1.26
II. In land owning, an overcharge which we will not attempt to estimate, but which may become the most disturbing factor in the industry in the immediate future.	
III. In transportation, an average overcharge of	1.00
IV. In distribution, an average overcharge of	1.35
	3.61

This sum ranges from $4 and $5 on domestic sizes down to approximately $1 on smaller sizes to produce the average given.

It is an overcharge which amounts to a total of $252,700,000 on an annual commercial production of 70,000,000 gross tons. With similar prices, it would amount to $270,750,000 on an annual commercial production of 75,000,000 tons, which is occasionally reached.

With such estimates before us to establish and confirm our beliefs, we ask the obvious question, Are these overcharges inevitable?

PRICES NOT NECESSARY.

Is the business of mining, transporting, and distributing anthracite doomed always to be so organized that a few high-cost land lessors or real estate speculators, a few high-cost collieries, a few railroads which choose to spend their incomes on vindictive labor wars, and a few high-cost distributers scattered over the country can always create a situation in which the great bulk of low-cost operators, landowners, transporters, and distributers will always be tempted to advance their profits at the expense of everybody else interested in the industry?

We do not believe it is inevitable or in any way necessary.

To get to the bottom of this situation we are asking you to find the facts which will answer certain fundamental questions implied but not directly stated in your suggested topics.

We should like you to inform us whether or not your investigation into facts will or will not finally include these questions. (In reference to your topic No. 15.)

To connect your 19 scattered topics with our questions we have followed the natural division of the industry into: 1. Mining; 2. landowning; 3. transportation; 4. distribution; 5. the future of the industry.

RETURN UPON ACTUAL INVESTMENT.

1. MINING.

At December, 1922, prices the mine operators appear to be receiving a net income of approximately $1.48 for every ton of anthracite sold, including steam sizes. If these prices continue throughout 1923 until the expiration of the present agreement, they will make approximately $103,600,000, which is over 30.8 per cent on their capital stock or 41 per cent on what we believe to be the actual cash invested in capital stock. We believe that 22 cents per ton will give a 6 per cent return upon the actual investment, and that everything above that is excess profit, taken and insisted upon not only at the expense of the consumer but at the risk of periodically disorganizing the industry.

To determine the significance of your profit data we ask you to determine the actual investment in the anthracite mines. This is the only figure which will give a basis for judgment as to excessive returns. We believe that this valuation should be done on the basis of original cost plus added expenditure. This is the only way to determine the amount allowable for deductions for depreciation and depletion. We stand ready to submit argument in favor of this basis of valuation of the coal mines.

Six companies (the Lehigh Coal & Navigation Co., the Lehigh & Wilkesbarre Coal Co., the Lehigh Valley Coal Co., the Philadelphia & Reading Coal and Iron Co., the Delaware & Hudson Co., and the Delaware, Lackawanna & Western Coal Co.) reported:

NET INCOMES SUMMARIZED.

Net income (all six).

1912	$8,800,000
1920	32,000,000

(An increase of 363 per cent.)

Surplus (first four).

1912	$10,000,000
1920	74,000,000

(An increase of 739 per cent.)

If all the coal companies earned the same rate of return and increased their surpluses in the same proportion, the anthracite industry would show:

Total surplus (estimated).

1912	$13,300,000
1920	51,000,000

Total surplus (estimated).

1912	$24,100,000
1920	192,400,000

The information on these other companies has never been made public.

In the face of such figures the miners are tired of the operators' common cry that coal strikes are caused by the lack of ability to pay better wages.

HIGH PRICES NOT JUSTIFIED.

There has just been a five months' suspension because of this disagreement over the question of whether the industry could or could not afford better wages and more satisfactory conditions of work. The miners drew on their credit, established laboriously over many years of constant and dangerous work, to support themselves during idleness. We agree with modern industrial engineers (for example, H. L. Gantt in his "Industrial Leadership," p. 123, says: "The expense of maintaining a plant in idleness must be regarded as a business expense and chargeable to profit and loss, not to the cost of the articles manufactured") that the companies should do the same. There is no justification for the present high prices on the ground that the companies are paying for the expense they went to in their attempt to lower wages. If the companies are to protect themselves against such industrial losses by charging the public high prices, it would be equally just that the miners receive compensation of some sort from the companies for each day of every strike or lockout, and the miners have never asked for that.

It is very important for the public to know the facts about profits and costs in detail. We know that the amount given as representing the value of the capital stock does not mean that anything like that figure was actually invested in the industry. We know that there are bookkeeping ways of increasing apparent costs and making the industry seem unprofitable. We therefore ask you not only to determine the present value but to establish and insist for all time upon a uniform accounting system similar to the one advocated by the Federal Trade Commission. Unless a satisfactory accounting system is adopted and enforced, the public and the miners will continue to disbelieve the statements of costs and profits which are now given so much publicity. We shall instead remember the report of the engineers committee of the United States Fuel Administration (1919) which said of the coal industry as a whole, "Depreciation was often put in as a guess. In some cases it was frankly stated that this seemed a good time to charge off improvements, and such were charged to the limit and beyond." The same report spoke of depletion, which is another way of retiring the capital invested. It said, "Depletion of lands was also an item which appeared greatly to trouble some of the accountants. While generally understood, many very wild guesses, even up to the market price of the product, were found, also many instances of depletion charges for land operated on royalty or lease and not property of the operator."

DOUBLE CHARGES IN EVERY BRANCH.

These findings agree with our own beliefs that there are double charges made upon the industry in every branch which are ultimately dangerous to its stability. We believe that much is charged to maintenance and repairs which should be charged to capital account. We, therefore, ask you to examine such charges on the industry with a view to eliminating everything which is unnecessary and unwarranted. Until that is done the anthracite coal industry will not be able to

give the efficient public service we believe it should give. We know it is natural under the present system of long-distance ownership that there should be such double charges, a keen desire for great profits, and a resulting indifference to the welfare of the men who are investing their lives in the industry.

You will find out that this is because the majority of the coal mined is controlled by the railroad companies, which in turn are controlled by large financial interests in New York and Philadelphia, by men who have never seen the inside of a mine, but who attempt to regulate the meals, living, and opportunities for schooling of the miners' families by their decisions on wages. It is known that the bankers played a leading part in the 1922 suspension. We ask you to convince yourselves of these facts as we are convinced by tracing out the ownership of coal from the ground through the processes of mining, transporting, and distributing—processes often controlled entirely by one interest which then takes four different profits on every ton. (In reference to your topic No. 3.)

SUSPENSION FACTS CONCEALED.

You will find that neither the present ownership nor the present management has yet been able to guarantee regularity (in reference to your topic No. 10) of production and employment to the industry. In spite of the relatively steady work (256 to 272 days out of a possible 308) during the past few years, anthracite is not immune to irregularity. It is known that the coming of the 1922 suspension concealed the fact that there were to have been at least 60 idle days during the summer of 1922.

You will find that this is due locally and occasionally to car shortage. The United States Department of Labor reported for November, 1922, "Wilkes-Barre—Inadequate transportation has retarded employment in the mining industry."

We believe the possible irregularity of production is due to the apparently limited market for the average amount of anthracite produced. The market might have been widened:

EXORBITANT RAILROAD RATES.

1. If exorbitant freight rates were not charged on anthracite, which discriminated against it in favor of soft coal.

2. If middlemen did not take such a large share of the value of each ton.

3. If the operators and land lessees did not insist upon such large profits.

We ask you to inform us of any ways by which the market for anthracite can be increased.

You will find that there has been wastage (in reference to your topics No. 11 and No. 12) of coal. There is less of this now than there was formerly, but where managements change, as they still do in the smaller mines, and each new management seeks to cream off what it can, the result is often that much coal may be lost. In certain mines the operators went right after the coal that was closest to the mouth-drift, shaft-bottom, or slope-bottom and removed it without regard to the mining of coal farther off. This desire for immediate production with apparently low costs resulted over a period of time in an increased cost of production because of the increased requirements for more timber, props, etc. This condition could have been avoided if the mine had been worked with the purpose of getting out all the coal available instead of with the desire to get everything while the getting was good and to sell out as soon as the results of this policy became apparent.

BUSINESS OF PRODUCING PROFITS.

If it were possible for men to engage in the business of mining coal in order to produce fuel for the country instead of producing profits for a few investors, the amount of waste might be eliminated.

We therefore urge that, if you limit your attention to the mere facts about the cost of living, wages paid in similar industries, and the superficial showings of the balance sheets, your work will leave the industry quite where you found it.

If your work is to be of any use at all in settling the coal question, you must take account of the whole range of claims upon the industry in the form of the various items of costs, wastes, and the claims by capital holders—with the purpose of eliminating all exorbitant, unnecessary, and consequently disturbing charges. Lack of a complete detailed statement year by year of costs, profits, and investment in each branch of the industry has created a situation where the mining, landowning, transporting, and distributing departments of the industry shift the burden of proof for high prices from one to the other in an apparently high-minded desire to show that their hands are clean, their hearts are pure, and their earnings low. Lack of itemized knowledge of the costs that enter into each branch is a difficulty we expect you to remove. This ignorance was the fact that led the consumers of anthracite (represented by the legal departments of Massachusetts, New York, etc.) to fear that the small increase (approximately 10 cents) caused by the recent anthracite tonnage tax would result in an entirely disproportionate rise in the final price.

THE EXACT COSTS REQUESTED.

We therefore ask you to discard the division of costs into labor, supplies, and other expenses, and to make public in detail how much of the cost of a ton of coal is devoted to: (1) Labor, (2) supplies, (3) power, (4) compensation insurance, (5) administration, (6) depletion and depreciation, (7) county and State taxes, (8) royalty.

We ask that you make public the information you collect, so that it may be stated in the following form:

1. Cost per commercial ton (itemized).
2. Profit per commercial ton before Federal tax.
3. Profit per commercial ton after Federal tax.
4. Proportion of profit to actual investment.

We recall your promise to give the miners representation in examining the cost figures of the various collieries and companies, and again state our belief that this is essential.

We have no confidence in the figures supplied in the past by the operators to the Department of the Interior or to the Federal Trade Commission, although the latter body made a more critical study of them. Any figures you may now ask for and receive will not differ, in our estimation, from previous compilations, unless we are given the opportunity to know in detail what the figures are, and are given the opportunity to study, analyze, and criticize the varying accounting systems used in their preparation.

You have asked us for such information as we now have on the cost of production.

MINERS' WAGES BASED ON OUTPUT.

1. LABOR COST.[1]

The wages paid in the anthracite industry on the basis of an eight-hour workday range from $4.20 a day for outside labor to $5.42 for inside company miners. In isolated cases a special rate in excess of this may be paid for special skill or ability. The working time in the anthracite industry does not exceed 272 working days. On this basis men paid at the $4.20 rate would earn annually not over $1,142.40, while the total earnings of the highest paid inside day men would not exceed $1,496 a year. These are the rates fixed by our agreement and are rates which appear upon the official rate sheets on file with the board of conciliation. The wages paid to contract miners are based upon their output, the pay for their output being based upon rates for yardage, car work, tonnage, and other items paid for in the mining of coal on contract. The rates of contract miners have increased 65 per cent over pre-war rates, while the peak in the high cost of living showed an increase of 110 per cent. In other words, the miners received an increase in rates of 45 per cent less than the increase in the cost of living at its height. The best figures the operators have been able to produce disclosed average earnings for all miners of $1,500 per annum, a wage not sufficient for anthracite miners to live on, and which in no way compensates them for the risks and hazards of their work nor reimburses them for their responsibilities.

"The miner works under conditions quite different from those of the man employed in manufacturing. (Quotation from U. S. Federal Bureau for Vocational Education, Bul. 38, p. 12.) * * *. He works underground, in the dark, and often in rather cramped quarters. The foreman can not supervise him constantly, for the mine is large, and the men are working singly, in pairs, or in very small groups, and one visit a day, or perhaps two, by the foreman is all that is possible.

While everything possible is done to make the general mining conditions safe, yet each underground employee must act as his own safety inspector, for danger is always present and conditions may change very suddenly. Again, the miner is concerned not only with his own safety, but with that of all the other employees, especially in coal mining. A single act of ignorance or carelessness may mean death or injury to others as well as to himself, and damage to the mine. When a machinist makes a mistake, the piece is scrapped, but when the miner makes one the consequences may be much more far-reaching. The operation of a machine involves certain knowledge and manipulative skill, but thousands of identical pieces may be produced. Mining, on the contrary, is not a process of repetition under identical conditions, for conditions are widely variable in different States, and in mines of the same district, or even within a single mine.

The degree of responsibility of the miner is unusual. It is the highest of all productive workers in the mines below that of the supervisory and inspecting forces. He is not only responsible for his laborers, to see that they do their work safely and properly, but in gaseous sections his responsibility really extends to all men in the section. If, through carelessness, lack of training, experience or skill, the contract miner makes a mistake all men in his section may suffer disaster.

YEARLY FATAL ACCIDENTS.

Since 1916 the Workmen's Compensation Board of the State of Pennsylvania has been keeping accurate records of the fatal and non-

[1] In reference to your topics, Nos. 7, 8, and 9.

fatal accidents in the anthracite coal region. The fatal accidents from 1916 are as follows:

1916	592
1917	602
1918	626
1919	664
1920	512
1921	545

The nonfatal accidents for the same period:

1916	25,610
1917	25,322
1918	22,268
1919	20,508
1920	21,659
1921	21,387

MINES MORE DANGEROUS EACH YEAR.

The anthracite mines, due to the work in smaller seams becoming more general, and because of the fact that the mines are becoming deeper and more extensive, are becoming more dangerous year by year. Explosive and noxious gases are becoming more pronounced each year, and the effect of gases on the health of miners is such that, even where accidents do not happen, gases getting into the system leave after effects that shorten the lives of the anthracite mine workers. Ventilation in deep, gaseous mines is also a factor that plays havoc with the lives of men.

The installation of electricity in the anthracite mines has increased the hazard, and many deaths are caused as a result of coming into contact with electric wires and the exploding of gas by electricity.

Taking all these facts into consideration—and they are facts you will easily ascertain—we hold and we reiterate that the present wages paid to anthracite mine workers are not sufficient compensation for the work they perform. It is the anthracite mine worker who walks and works with death in the mines; it is these men who give up their lives, suffer injury, and acquire lingering occupational diseases in order that coal may be produced. Among our people you will find thousands of wives made widows, countless thousands of children made orphans, and strong men made cripples; there you will see the worker declining in health and strength, his body gripped with asthma from the bad air and dust of the mines. It is these people who are most competent to judge their wage conditions and standards, which, at their best, can make but small return for the sacrifices and sufferings of the people of the anthracite region. The cost of anthracite coal can never be figured in dollars and cents alone; there must be added to the labor cost an annual toll of over 500 human lives, of over 20,000 workers who suffer accidents, of men and boys who do work as dirty and dangerous and yet as honorable as soldiers in war, who meet death and injury in order that coal may be produced to warm the homes of our people and turn the wheels of industry.

CURRENT PUBLICITY REQUIRED.

2. SUPPLIES.

We ask for the facts. There should be current publicity and checking of fair prices for the various supply items used in mining, obtaining them by continuous and careful comparison of the prices paid with the current market value. We ask this because we know that some of the companies either make some of their own supplies or are so intimately connected with supply companies as to result in large and unreasonable bookkeeping prices. For example, if a company owns large timber tracts, what is there to prevent it from charging itself three or four times what any timber taken from the tract may actually cost? We know the powder charges are high and believe it is because no independent company can sell in the anthracite region. We are interested in finding out whether the powder is not charged twice—once to the company expenditures and once to the miners.

We believe that a considerable reduction in the claimed cost can and should be made on supplies.

3. POWER.

We believe that electrification of the mines has resulted in economies which as yet do not seem to have been shown in the claimed cost. It is now possible for a double bookkeeping charge to be made for power-house fuel. The cost of producing the coal which is used in the boiler has been included in the cost of labor and supplies necessary to produce the total tonnage. The charging of the cost of this coal again to the power house where the cost of producing power is again charged to operating makes this a double charge.

A uniform accounting for this item, carefully checked year by year, is essential. We believe that comparison of power costs for collieries generating their own power and those renting it should be made, with the purpose of suggesting the most economical system.

4. COMPENSATION INSURANCE.

The companies claim that the amount necessary for compensation insurance amounts to 10 cents a ton. In 1921 approximately 4 cents were paid out in compensation to anthracite miners. This reduces the companies' claim 6 cents a ton, or $4,200,000 annually.

5. ADMINISTRATION.

Everybody is curious as to the charge made for this item. We know collieries where the managing force has been doubled in recent years without being warranted by an increased production. We want to know how many useless and nominal directors with no knowledge of the coal-mining business are charged against the cost of a ton of coal. We ask you also to consider the possibility of cutting down this and all other items under other systems of management such as unified control.

6. DEPLETION AND DEPRECIATION.

We have already quoted the report of the engineers' committee of the United States Fuel Administration showing the ways these two items can be used, not only to retire the entire capital invested in the industry but to increase it at the expense of all who invest work in the industry.

The Federal Trade Commission in 1919 reported an average depletion charge by the independent companies (25 per cent of the total) of 21 cents per gross ton and by the railroad companies (75 per cent of the total) of 17 cents per gross ton. This would average approximately 18 cents charged against each ton of coal. We believe that this is exorbitant. Mr. S. D. Warriner, president of the Lehigh Coal & Navigation Co., has said that by charging 5 cents the companies could retire their indebtedness in 20 years. Taking his estimate, we conclude that approximately 13 cents, or about $10,000,000, is annually improperly taken and charged up against production cost.

7. COUNTY AND STATE TAXES.

We ask that these items be separated from the others because of the general discussion as to the amount of taxes paid. We point out that the recent State tonnage tax exercises discrimination against the anthracite industry and leaves untaxed other industries, such as steel, which are equally able to pay.

8. ROYALTIES.

The royalty bill in 1919 was $11,405,158, an increase of 47.6 per cent over the amount paid in 1909. It now ranges from 5 cents to $2.40, averaging 16 cents per gross ton mined, which we believe to be 10 cents per ton more than is necessary to repay the legitimate expectations of the lessees.

We call your attention to the significance of high royalties, even when they are only collected in such form on a comparatively small part of the production. They cause a wide margin between high and low cost collieries and result in a price-fixing arrangement which is apt to cover the high-cost collieries and thereby allow the low-cost collieries a larger profit than they would otherwise dare to take. This has been attested to by Dr. George Otis Smith and Mr. Lesher in their "Cost of coal" in 1916, when royalties were much lower than they now are. They said, "We believe that the highest royalty rate prevailing in the anthracite district has far more influence in fixing the selling price than the lower rates of older leases."

High royalties establish a precedent, in the shape of an increasingly large overhead charged on the industry, that the legal possessor of a natural resource can take a rate of return which would be considered usury in private transactions.

We ask you to consider the fact that with no effective control over royalties there is every reason to believe that they will increase enormously in the next few years. Many leases will expire and be renewed within the next 5 or 10 years. New goals in the way of sliding-scale contracts will be aimed at. An increasingly large and unwarranted bill against the industry will be made out, and without effective control of royalties the public and the miners will both have to pay it. A satisfactory method must be found either for the practical elimination or the drastic regulation downward of royalties.

COST SUMMARY.

We have estimated the sum total of these eight items as resulting in a cost of production in 1922 of $5.20 per gross commercial ton, which at present prices would result in a margin on each ton of $1.609. (In reference to your topics Nos. 2, 4, and 5.)

SPOT PRICES, GROSS TON.

The following table is based on the mean averages of Philadelphia and New York spot prices, gross tons f. o. b. mines (week of December 4, 1922. Coal Age, December 7, 1922).

TABLE No. 1—*Results of normal yield.*

	Gross tons.	Mine price.	Sales realization.	Average cost per ton.	Gain or loss.	Total gain or loss.
Lump and broken	5.4	$8.212	$44.304	$5.20	+$3.002	+$16.210
Egg	12.6	8.657	109.078	5.20	+3.457	+43.558
Stove	20.1	8.657	174.005	5.20	+3.457	+69.485
Chestnut	22.2	8.657	192.185	5.20	+3.457	+76.745
Pea	11.1	6.790	75.369	5.20	+1.590	+17.649
Buckwheat No. 1	14.2	3.807	54.059	5.20	−1.393	−19.780
Rice	6.8	2.655	18.054	5.20	−2.545	−17.306
Barley and boiler	7.6	1.831	13.915	5.20	−3.369	−25.604
Totals and averages	100	6.809	680.969	5.20	+1.609	+160.957

ONLY ESTIMATED FIGURE.

The percentages of production used are those given out by the operators. (S. D. Warriner's article in Mining and Metallurgy, July, 1922.)

The only estimated figure is the mine cost—$5.20. The company coal is taken as 75 per cent of the total; the independent coal as 25 per cent of the total.

The reasonableness of this figure can be seen from the fact that Mr. W. Y. Durand, of the Federal Trade Commission staff, revised the figures given by the Independent Operators' Association for January to October, 1920, from $6.307 to $5.289. It is known that the independent companies have higher costs than the railroad companies.

In considering the percentages of steam sizes to the total it must be remembered that a large proportion of the steam coal comes from washeries and costs very little to produce. If the operators were actually losing on this washery steam coal, they would stop its production. They have done the contrary. The amount of washery coal given by the census figures does not include that coal which comes from culm banks and is put through the breakers, for that coal, which is actually washery coal, is listed and sold as fresh mined. This washery coal reduces the total cost.

PROFIT AFTER ALLOWABLE DEDUCTIONS.

We believe that the following deductions from the margin should be allowed:

Margin		$1.609
Interest on bonds	$0.064	
Four and one-half per cent annually on $100,000,000 worth of bonds would give an allowable deduction from the margin of $4,500,000 annually.		
Selling and handling cost	.057.	
This figure is based on Federal Trade Commission Report, volume 2, page 48, Anthracite Coal: "1918, 45,304,713 tons handled; reported selling expense, $0.09." The rest of the tonnage reported no selling expense. Therefore the total 78,067,215 tons would have a selling expense of $0.057. To check a possible increase in this item since 1918, we find that the Federal Trade Commission report on investments and profit in the soft-coal industry, 1922, page 5, covers selling expense in that industry from 1918 to 1920:		
1918	$0.04	
1920 (6 months)	.04	
Since selling expense in soft coal remained stationary, we see no reason to believe that there was an increase in the selling expense in anthracite. This would give an allowable deduction of $3,990,000 annually.		
Total		.121
Profit after allowable deductions		1.488

THE ENORMOUS PROFITS.

This gives an apparent net income on present prices to the operators of over $103,600,000 on a commercial production of 70,000,000 tons annually. It is to be expected that present panic prices will remain fairly constant throughout this year. It will, however, be noted that since Federal taxes fluctuate with profits they have not been deducted from the margin. Federal taxes will probably be larger than those in 1921 but lower proportionately than those in the years when the excess-profits tax was in effect.

To estimate a fair profit, valuation of all coal-mining property is necessary, as we have pointed out. An estimate, however, can be made on the basis of present claimed investment. (The term "investment" should be defined as investment in the anthracite coal-mining business only, excluding outside investments in securities and properties not relating to the anthracite industry. It would not be just to saddle anthracite with possible losses of other industries.)

The capital of the anthracite industry in 1920 (Pennsylvania Bureau of Statistics and Information, Annual Report, No. 2, 1920) was given as $335,496,100. (United States census for 1919 gives figure of "Capital—$433,868,039," which presumably includes bonds, for which we have already made allowance.) Six per cent on this capital (without bonds) is $20,129,766.

When the total commercial production is 70,000,000 tons and when the present figure for cash invested in capital stock is used an average return of $0.286 would be considered reasonable.

COMMERCIAL PRODUCTION AND CASH INVESTED.

When the total commercial production is 75,000,000 tons and the present figure for cash invested in capital stock is used an average charge of $0.274 might be considered reasonable.

When the total commercial production is 70,000,000 tons an average return of $0.216 would be reasonable.

When the total commercial production is 75,000,000 tons an average return of $0.202 would be reasonable.

We attach to this statement the known profit and surplus data on anthracite companies which show that the former increased 363 per cent and the latter increased 739 per cent in 1920 over 1912. We give estimates of the total net income and accumulated realized and unrealized surplus of the industry on the basis of the known figures.

AN ESTIMATE OF NET INCOME (PROFITS).[1]

Information is available on six companies from 1912–1920, inclusive: The Lehigh Coal & Navigation Co.; the Lehigh & Wilkesbarre Coal Co.; the Lehigh Valley Coal Co.; the Philadelphia & Reading Coal & Iron Co.; the Delaware & Hudson; the Delaware, Lackawanna & Western Coal Co.

The total net income of these companies and their combined commercial production is:

TABLE No. 2.

[In millions.]

Six companies.	1912	1913	1914	1915	1916	1917	1918	1919	1920
Net income	$8.8	$10.7	$10.3	$8.7	$12.4	$23.9	$19.1	$23.4	$32.0
Production (tons)	43.2	46.3	43.1	42.4	44.1	53.2	50.7	43.9	44.5

The net income of all coal companies for this period on a basis of similar returns per ton would be:

TABLE No. 3.

[In millions.]

	1912	1913	1914	1915	1916	1917	1918	1919	1920
Total net income	$13.3	$16.9	$17.2	$14.4	$19.4	$35.6	$29.8	$37.3	$51.0
Total production	65.7	73.2	72.3	70.4	69.3	79.3	79.1	70.0	71.0

AN ESTIMATE OF SURPLUS, 1912–1920.

Information on surplus is available on four large companies from 1912 to 1920, inclusive: The Lehigh Coal & Navigation Co.; the Lehigh & Wilkesbarre Coal Co.; the Lehigh Valley Coal Co.; the Philadelphia & Reading Coal & Iron Co.

The total surplus of these four companies and their combined production is:

TABLE No. 4.

[In millions.]

Four companies.	1912	1913	1914	1915	1916	1917	1918	1919	1920
Surplus	$10.1	$14.9	$18.3	$21.1	$25.5	$49.7	$58.2	$68.5	$74.0
Production	27.5	29.9	26.3	25.2	27.0	33.0	30.7	26.4	27.3

The estimated surplus of all coal companies for this period on a basis of equal reserves would be:

TABLE No. 5.

[In millions.]

	1912	1913	1914	1915	1916	1917	1918	1919	1920
Total surplus	$24.1	$36.4	$50.3	$58.9	$94.4	$119.4	$149.8	$181.6	$192.0
Total production	65.7	73.2	72.3	70.4	69.3	79.3	79.1	70.0	71.4

From these two sets of figures it will be seen that the net income of these six companies in 1920 over 1912 increased approximately 363 per cent, while their production increased only 0.09 per cent in 1920 over 1912. The surplus of the four companies increased in 1920 over 1912 approximately 739 per cent, while their production remained constant in 1920 over 1912.

II. LAND OWNING.[2]

Much anthracite coal land will not be mined for 50 to 100 years. A few of the large companies have practically a monopoly of the unmined coal. The recent increases in the price of coal give an unexpectedly greater value to the investment in unmined coal, and the operators are inclined to consider their investment worth more and more, and to revalue it on their books. This is in line with the present tendency of large financial interests to obtain an increased capitalization. Such revaluation, like the epidemic of stock dividends in the country, results in an apparently lower rate of return, and consequently in exemption from the higher grades of the Federal income tax.

In order to obtain some rough and ready standard for taxation purposes the revenue laws now permit such appreciation of value for increases occurring prior to 1913. But "under stricter principles of accounting," as the Federal Trade Commissions says, "any increase in value * * * should reflect itself in the increased rate

[1] In reference to your topic No. 5.

[2] In reference to your topics Nos. 1 and 3.

of return on the investment rather than in addition to the investment itself." The importance of this procedure upon prices in the future can be seen from the estimates made by the officials of a similar wasting industry (the National Lumber Association) who estimated that revaluation had increased their assets between two and three billion dollars. (Federal Trade Commission Report—Lumber Manufacturers' Trade Associations, 1922 (pp. 4 and 5). Mr. Charles S. Keith wrote to the secretary of the association, Mr. Wilson Compton: "I am afraid we may bring the attention of Congress to the loss of income which might accrue by writing off the books two or three billions of invested capital, which might lead us into more serious difficulties.")

EXCESS COAL LAND RESERVES.

So long as such revaluations are possible, the anthracite industry, the workers in it, and the consumers, will suffer in the future.

We ask you to find out how the large excess coal-land reserves are now being carried, and to what extent the claimed investments in them should be reduced. We ask that, to determine this, you have the property appraised in the only sound way, on the basis of original cost plus addition of land (including the prices paid for the land in all subsequent bona fide sales).

We insist that interest on the investment in reserve coal lands is not an element of cost of such lands, as this item would have to be realized in the sale of such lands (if they were sold), or through the operation of them when they were finally opened and developed. Holding reserve coal lands over a long period of time is not a mining proposition but a real-estate business.

We see the advanages of monopoly control of coal-bearing land. It prevents a situation such as the one which has disorganized the soft-coal industry, for men can not now open small mines at their pleasure and cause disorganization of employment and of the market. However, we believe that monopoly is asking too large a price for its advantages. This real-estate speculation which the companies made may turn out to be a questionable risk; a bit of bad business which should not be made legitimate by figuring the interest on real-estate holdings into the present cost of coal.

LARGE INVESTMENT IN LANDS.

There may be a risk in each individual mine, but the business of anthracite mining as a whole is not a risk. When the operators speak of their risk, we believe that they have in their minds these large investments in land which they are now rather willing to get rid of. An instance of this is the recent offering for sale of large properties by the Lehigh Coal & Navigation Co.

That there is further foundation for our belief that an illegitimate claim is being made upon the industry can be seen from the report of the Federal Trade Commission on 1,126 representative concerns in the bituminous industry. A 23 per cent appreciated book value was found.

The commission also reported that if the net investment of certain bituminous coal companies was revised to take out the investments in excess coal-land reserves so as to compare earnings for present operations (allowing a 30-year life), it would amount to a reduction of 79 per cent in their coal-land investments and of 53 per cent in their entire net investment.

We ask for the facts on excess coal-land reserves in anthracite:

1. How much was originally paid for the coal lands?

2. How many of the transfers of property were made between distinctly different interests? How many properties were transferred to associated companies at increased valuations and how many for the sole purpose of increasing the valuation?

3. On the basis of these facts: What is the total capital investment and what is the amount of inflation in the excess coal-land holdings? Does it approach the 79 per cent inflation the Federal Trade Commission found in certain concerns in the bituminous industry?

ANTHRACITE FREIGHT RATES.

III. TRANSPORTATION.

Anthracite freight rates are higher than bituminous freight rates for both short and long hauls. This condition is understandable only when it is remembered that the mining companies which ship about 80 per cent of the total tonnage are controlled by the railroad companies.

We believe that on an average anthracite haul of 350 miles this difference amounts to $1 per average gross ton and from $70,000,000 to $75,000,000 a year.

The following table represents fairly accurately the difference between anthracite and bituminous freight rates. It shows that on hauls ranging from 100 to 600 miles the anthracite rate is approximately 31 per cent higher than the bituminous rate, and that consequently a 24 per cent reduction would be necessary to eliminate the obvious overcharge.

THE DIFFERENCE IN RATES.

TABLE No. 6.—*Comparative freight rates (gross tons).*[1]

	Cost per ton-mile, anthracite.	Cost per ton-mile, bituminous.	Per cent anthracite over B.	Per cent reduction possible.
Group I (100-200 miles)	$0.01893	$0.01320	43.42	30.5
Group II (200-300 miles)	.01310	.01017	28.8	22.3
Group III (300-400 miles)	.00997	.00853	16.89	14.45
Group IV (400-500 miles)	.00951	.00741	28.4	22.1
Group V (500-600 miles)	.00824	.00616	33.7	25.2
Average	.01195	.00909	31.0	24

[1] The July, 1922, rates are used.

The figures upon which this table was based were obtained from the files of the Interstate Commerce Commission at Washington, from local anthracite freight offices, and from railroad headquarters.

Taking the average anthracite haul at 350 miles and comparing it with a similar bituminous haul of 350 miles, the following difference appears:

Anthracite (350×.01195)	$4.18
Bituminous (350×.00909)	3.18
Difference	1.00

NET INCOME TO THE CAPITAL STOCK.

That the anthracite carriers have done extremely well by themselves will be seen from the following table, which gives the percentage of the net income to the capital stock in 1919 and 1920.

It will be remembered that the amount of the capital stock does not represent actual money invested, and that on the basis of actual investment a general lowering of all freight rates to give only a reasonable return would reduce still further the charges on anthracite.

TABLE No. 7.—*Earnings of anthracite carriers.*

The figures for the period 1919–20, as furnished by the Interstate Commerce Commission, are as follows:[1]

Name of company.	Per cent of net income to capital stock.	
	1919	1920
Central R. R. Co. of New Jersey	18.55	10.27
Delaware & Hudson Co.	5.47	6.44
Delaware, Lackawanna & Western R. R. Co.	36.46	33.30
Erie R. R. Co.	2.82	3.03
Lehigh Valley R. R. Co.	6.18	22.29
New York, Ontario & Western Ry. Co.	1.55	1.26
Pennsylvania R. R. Co.	8.65	6.72
Philadelphia & Reading Ry. Co.	20.03	26.28

[1] Hearings before the Committee on Labor, part 2, H. R. 11022, April 20, 24, and 25, 1922, page 490.

Note that the mean average earnings were:

12.46 per cent in 1919.

13.44 per cent in 1920.

OVERCHARGE RECOGNIZED BY INDEPENDENT OPERATORS.

The fact that this overcharge is very directly due to the monopoly control of the industry has been recognized by the independent operators who have no financial connection with the railroads. They say (Presentation by the Individual Anthracite Operators, January 18, 1921, to the chairman of the Senate Committee on Manufactures):

"Due to the fact that the railroad companies owning the large coal companies charge an extremely high freight rate on anthracite coal * * * high in comparison with the other commodities similarly handled * * * they have been, generally speaking, content to sell their coal at a small margin of profit, preferring to make their profit out of the freight charges for transportation of their own coal and that of the independents."

The facts we ask about transportation are:

1. Exactly what is the excess of anthracite freight charges over bituminous freight charges? This data should be collected over a larger mileage than the table we have presented covers.

2. What are the obstacles to reduction of anthracite rates?

3. What is the real investment of the anthracite carrying roads?

DISTRIBUTORS' SHARE OF PROFITS.

IV. DISTRIBUTION.[1]

We believe that the distributors are taking a profit on anthracite coal equal to that of the operators. Figures submitted by the National Retail Coal Men's Association in 1921 showed an average cost of $2.10

[1] This covers your topic No. 14.

and margin of $0.35, which we find gave a return of 8.33 per cent on the claimed investment. We believe that, in the latter part of 1922, the combined distributing agencies were taking approximately $3.45 on an average ton of anthracite including the steam sizes. We believe that $2.10 would cover the distribution costs, including degradation and a reasonable profit, and that consequently an excess profit of $1.35, or $94,500,000 annually, is being taken by dealers selling coal at the present prices. (In reference to your topic No. 6.)

In a steady market there are known to be agreements among the producers and their sales agents, and among the retail coal dealers, to dispose of anthracite at a uniform price. "Elimination of competition," as the coal investigating committee of New Jersey reported in 1922, "made it possible to accumulate greater returns from the money invested and to do away with the uncertainty of the price to be received from the consuming public."

In a panic market (late 1922 and late 1920), no evident control over prices to consumers has yet been exercised, and consequently the dealers are able to hide behind the fact that few high mine prices are being charged to sell the bulk of the coal, which is low-cost coal, at a great profit.

BURIED IN THE DEPARTMENT OF JUSTICE.

Too little is known about wholesalers' and retailers' profits. When the Lever law was declared unconstitutional, the many cases prepared against coal dealers were dropped and the evidence obtained on the costs and charges of such dealers was buried in the Department of Justice at Washington, which has not released the information.

That the coal distribution business is extremely profitable can be seen by the fact that Burns Brothers, of New York, selling over 3,000,000 tons of anthracite, paid dividends averaging 11.3 per cent from 1917 to 1921 and accumulated surplus which was large enough to buy $8,000,000 worth of stock in the Lehigh & Wilkesbarre Coal Co. in 1922. (In reference to your topic No. 6.)

We therefore ask you to compile not only the detailed costs and profits of sales agents, wholesalers, retailers, and peddlers, and of those who combine the two functions, but also of cooperative selling agencies and municipalities which may now be distributing coal, in order to find out whether there is any less expensive way of distributing anthracite than the present one. When mine labor only receives approximately $3.92 (the operator's figure) and coal costs the consumer up to $22 a ton, we believe that the time has come to consider a reorganization of every branch of the industry in which there seems to be profiteering.

REORGANIZATION MAY REDUCE THE COST.

That reorganization of distribution may reduce the cost is shown by the experience of a cooperative association in Lehighton, Pa., where private dealers had been selling 2,000 pounds to a ton and had been making more than $4 a ton profit. The cooperatives lowered the price between two and three dollars, gave the consumer the extra 200 pounds to which he was entitled, sold the highest quality coal instead of a mixture of slate, dirt, and coal, and thereby saved the consumer about $4 on every ton of coal bought. (Cedric Long in Cooperation, May, 1922.)

Charts showing mine prices in October and December, 1922, freight charges, average final costs to consumer, and estimated dealers' share in the cost for several typical cities follow (in reference to your topic No. 2):

No. 8. New York City (in detail).
No. 9. Domestic sizes (eight cities).
No. 10. Pea (seven cities).
No. 11. Smaller sizes (New York and Philadelphia).
No. 12. Averages—late 1922.

THE MIXTURE OF SIZES.

DISTRIBUTION TABLE No. 8.—*Gross tons of anthracite, New York City, December 4, 1922.*

	Tons.	Average mine price.	Freight to New York with light-erage.	Cost to dealer.	Dealers' charge and profit.	Cost to consumer.
Lump, egg, stove, chestnut	60.3	$8.617	$3.13	$11.747	$4.628	$16.375
Pea	11.1	6.790	2.85	9.640	3.057	12.687
Buckwheat [1] and rice	21.0	3.434	2.60	6.034	2.416	8.450
Barley and boiler	[2] (7.6)	[2] (1.831)	.....	.....	.....	.....
Totals and averages	[3] 100	7.220	2.975	10.195	3.936	14.131
With a market for boiler and barley:						
Boiler and barley	[3] 7.6	$1.831	$2.60	$4.431	$1.989	$6.420
Totals and averages	[3] 100	6.809	2.953	9.762	3.136	13.698

[1] We know that during periods of high prices the smaller grades of coal are mixed with the larger grades and sold for the higher-grade prices. This would involve a general increase in the proportion of the higher-priced grades to the total.
[2] Practically no New York market in December, 1922.
[3] Per cent.

DISTRIBUTION TABLE No. 9.—*Gross tons of anthracite, eight cities, 1922.*

Domestic (60.3 per cent).	Average mine price.	Average freight and light-erage.	Average cost to dealer.	Average dealer's take.	Average cost to consumer.
New York City [1]	$8.617	$3.13	$11.747	$4.628	$16.375
Philadelphia [1]	8.617	2.64	11.257	4.24	15.50
Pittsburgh [2]	8.40	3.28	11.68	5.07	16.75
Washington [2]	8.40	3.28	11.68	4.32	16.00
Rochester [2]	8.40	3.15	11.55	3.19	14.74
Buffalo [2]	8.40	3.28	11.68	3.16	14.84
Boston [2]	8.40	4.32	12.72	3.78	16.50
Baltimore [2]	8.40	3.28	11.68	4.32	16.00
Average eight cities	.....	.....	.....	4.08	.....

[1] December, 1922, prices. [2] October, 1922, prices.

DISTRIBUTION TABLE No. 10.—*Gross tons of anthracite, seven cities, 1922.*

Pea (11.1 per cent).	Average mine price.	Average freight and light-erage.	Average cost to dealer.	Average dealer's take.	Average cost to consumer.
New York City [1]	$6.79	$2.85	$9.64	$3.057	$12.687
Philadelphia [1]	6.79	2.35	9.14	3.11	12.25
Washington [2]	6.62	3.02	9.65	3.10	12.75
Rochester [2]	6.62	2.70	9.32	3.00	12.32
Buffalo [2]	6.62	2.77	9.39	2.93	12.32
Boston [2]	6.62	4.08	10.70	2.80	13.50
Baltimore [2]	6.62	2.65	9.27	3.48	12.75
Average seven cities	.....	.....	.....	3.06	.....

[1] December, 1922, prices. [2] October, 1922, prices.

DISTRIBUTION TABLE No. 11.—*Gross tons anthracite, two cities, 1922.*

Buckwheat and rice (21 per cent).	Average mine price.	Average freight and light-erage.	Average cost to dealer.	Average dealer's take.	Average cost to consumer.
New York City [1]	$3.434	$2.60	$6.034	$2.416	$8.450
Philadelphia [1]	3.434	2.20	5.634	2.466	8.100
Average 2 cities	.....	.....	.....	2.44	.....

[1] December, 1922, prices.

Margins for boiler and barley are not known. Estimated to be 20 cents less than buckwheat and rice, or $2.24.

TABLE No. 12.—*The average dealer's share in the final cost per gross ton for—*

Eight cities, domestic sizes (60.3 per cent of total)	$4.08
Seven cities, pea (11.1 per cent of total)	3.06
Two cities, smaller sizes:	
Buckwheat and rice (21 per cent of total)	2.44
Boiler and barley (7.6 per cent of total)	2.24
Weighted average	3.45

PERTINENT INFORMATION DESIRED.

The facts we ask for on the distribution of anthracite are:

1. What are the actual costs for wholesaling? For retailing? For dealers who combine both functions? For cooperative societies? For municipalities, if any?
2. What are the profits of each?
3. What is the amount of capital actually invested in distribution?
4. To what extent does tacit combination among dealers fix the prices that all of them charge?
5. On the basis of these facts: What is the most economical system of distribution?

V. THE FUTURE OF THE INDUSTRY.[1]

The miners believe on the basis of the estimates they have been able to make that the anthracite industry has the following characteristics:

It is a monopoly without monopoly control. It has four ways of taking a profit on every ton mined which effectively conceal the total taken. We believe there are overcharges on mining, on landowning, on transportation, and distribution, which amount to at least $3.61 per ton, and probably a great deal more which is not estimable.

These facts and beliefs result in the apparently obvious conclusion that until the various overcharges have been carefully and completely eliminated, there will be no peace in the industry. The rank and file of the consumers will continue to complain, and with reason, of the high prices. The rank and file of the miners will continue to complain, and with reason, of the wages they receive for their hazardous and hard work. Is it possible to blame either miners or consumers for their attitude?

INDUSTRY CONTROLLED BY RAILROADS.

The anthracite industry is controlled by a few large railroad companies. In a few years that control will become more absolute be-

[1] In reference to your topics Nos. 15, 16, 17, and 18.

cause of more unified ownership of the coal. From the facts we have asked you to collect we will later attempt to answer the question of whether such monopoly control now and in the future can give, or can be expected to give, more than an indifferent attention to the elimination of charges upon the industry and the development of economies which might be expected to make sums available for both better wages and lower prices. We know industrial history shows that it is the nature of a monopoly, rather than pay good wages and pay the higher groups of Federal income taxes, to increase its valuation, to increase the amount of its capital stock, and by large staffs, large salaries, large supply charges, indifference to technological charges, and indifference to improvement of working conditions, to create an apparently profitless industry at the expense of the men who have invested their lives in it.

We call your attention to the fact that anthracite is an essential and public-service industry. It should give service, and in turn should pay all those charges upon it which represent necessary service given to it.

As long as the miners receive only such wages as they receive at present, every unessential charge upon the industry and every charge which by revision of management or changed financing could be eliminated will naturally remain a cause of industrial discontent.

MINIMUM STANDARD AND MEASURE OF INDEPENDENCE.

The question of local strikes, on the other hand, is possible of more immediate solution. The complete unionization of the industry, with the check off, will save the energies of the miners from being spent in an endeavor to keep the conditions wage contracts give them and will permit them to be devoted to the other essential questions of the industry. We do not want to strike. It means very real hardship for us. But it should never be impossible for us to defend the ideals of life we hold. We have now two things which we expect to hold for good and all: (1) A sort of minimum standard of life, which is good enough to be built on but which can not be lowered; (2) a certain measure of independence in our united action as a union. We have spent 22 years obtaining them and will not consent to give them away by any form of compulsion or to yield them in favor of any hasty makeshifts of new industrial machinery to compensate for the lack of correct industrial principles.

You have outlined topics which imply setting a level of living, a thing which we oppose, because it means a dead level and an end of human aspiration. Any survey you make for such purposes has certain assumptions about what constitutes a decent living and what the future of the country is to be. Until you explain these assumptions in detail we can not, of course, criticize them intelligently nor the figures they will result in.

THE DIFFERENCE IN THE RISKS.

If you are interested in setting a "level of living," we have only one suggestion to make: That the living of investors in the various branches of the industry be included. These people only invest their capital at almost no risk. The miners invest their lives at constant risk.

Questions about the standard of living and the standardization of work are questions sure to provoke endless discussion if considered by themselves. We want to remove the causes of quarrels over smaller questions by finding the answers to the larger questions at the base of them all. It will be useless to argue about miners' meals or their families' clothes while leaving untouched the essential facts of the anthracite monopoly. The miners will follow the facts, provided all the facts are unearthed. The four fundamental problems of the industry are all tied in a hard knot in the one question of monopoly. When the miners and the general public are in possession of the full facts of the monopoly, then will be the time to propose the sort of reorganization which will fit the facts.

Mr. MADDEN. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY. Mr. Chairman and gentlemen of the House, the bill under consideration deals with the appropriations for the United States Postal Service, the greatest business enterprise on the face of the earth, and one which directly concerns the interests of more men and women than any other institution known to man. The House is to be congratulated that the chairman of the Appropriations Committee, who brings this bill before us, has had extensive knowledge of this great service through his membership on the Post Office Committee.

The amounts carried in this measure seem large until we begin to understand the stupendous scope of the service itself. Here is a public service which this year will handle 25,000,000,000 pieces of mail matter. If a man had begun counting the pieces in that mountain of mail on the day Columbus discovered America and had counted steadily from that day to this at the rate of 100 pieces every minute, he would not be through his task. Yet the Postal Service counts and sorts, transports, and delivers that number in a single year.

Here is a business whose turnover is more than three billions of dollars a year. It handles 1,500,000 letters every hour, which means about 150,000 tons of letter mail every year. It operates over railroad trackage sufficient to belt the earth ten times. It uses more than 10,000,000 sacks and pouches.

More than that, the Postal Service operates the largest savings institution in the world, safeguarding the deposits of Americans to the amount of $130,000,000. It does the largest parcel express business in the world, conveying 2,500,000,000 packages.

Mr. Chairman, the Postal Service is not only a great business; it is the greatest unifying force in America, and without it America as we know it would be impossible. This Capitol in which we are met to-day is the oldest building in the world used as the meeting place of a free assembly, but this Capitol would not be the administration center of this empire of ours were it not for the Postal Service and the communication and transportation developed by that service. Without the Postal Service, which binds a thousand scattered cities and communities into a nation, it would be easier to administer California from Asia than from Washington. Without the Postal Service, with the highways and railways and airways, which are fundamentally postal routes, America would be a medley of warring nations, a Balkan maze of enmities, a jungle in which only the strongest could survive.

Now, this great service for the promotion of the happiness and welfare of 110,000,000 Americans is not a mechanical service; it is a human service. No machine has ever been invented, or ever will be invented, which will read addresses on letters, periodicals, and parcels. Every step in the multitudinous operations necessary requires human brain and human thought and human cooperation.

It requires 330,000 coworkers to accomplish the mighty task set before this Postal Service of ours. There are many classes of postal workers, from the Postmaster General to the humblest laborer, but each one is essential in the successful conduct of this greatest service organization.

The largest post office in the world is that of New York City which does a postal business twice as great as the entire Dominion of Canada. The smallest post office in America is in Arkansas and its name is Raspberry. Its postmaster, who is paid on the basis of receipts, receives a salary of about $6.75 a year. Between them are all the postal establishments in the Nation and the employees which make up the mightiest army for the service of humankind that the world has ever seen.

Mr. Chairman, I believe the postal employees of America are the most efficient and the hardest working employees in our Government. I believe also that they are the poorest paid. We have never done justice to these men and women in the matter of compensation for their efforts. We have dealt with them as emergencies compelled action, but never yet have we made their compensation square with their efforts and their deserts. I know of no better time than the present to remedy that situation.

For instance, Congress passed a measure in 1883 which established grades in the postal clerical force from $400 to $1,400. There was no plan of promotion and no regard for faithful service. In 1907 a new measure was passed which provided for promotion to the $1,000 grade at second-class offices and the $1,100 grade at first-class offices, but the maximum salary was left the same. In 1918 a temporary salary bill increased the maximum to $1,600, and in 1919 the maximum was further increased to $1,750.

Under the reclassification bill of June 5, 1920, regular postal clerks and carriers have a salary range from $1,400 to $1,800. Two grades of special clerks are provided at $1,900 and $2,000, but there is no promotion to these grades through service. The fact is that in 40 years there has been an increase of but $400 in the maximum salary for these postal employees, although the cost of living has been doubling and tripling within that period.

The postal employees were told in 1920 that prices of the necessaries of life would recede shortly to about pre-war levels. They have waited four years for the expected drop in prices in vain. There has been a great economic loss during those four years on account of inadequate wages, but there is no way of making up such loss. The one thing we can do is to make sure that the real wages of these faithful postal employees are not less than they were in 1913. The fact is that the rise in living costs has exceeded the rise in compensation and the postal employees have not only received no increase in real wages but rather a reduction. They are being paid in counterfeit wages.

While workers in other industries have on every side received advanced wages to meet the mounting cost of living, these postal workers of all classes have been on pay which would not have been unduly high before the skyrocketing of living prices began.

In order to remedy this manifestly unjust situation, I have introduced H. R. 4123, a measure to readjust the salaries and compensation of employees in the Postal Service. It has had the careful consideration of the organizations of postal employees and has been indorsed by them. As a member of the Post Office and Post Roads Committee, I have had some opportunities of studying the situation and I believe no more worthy act could be performed by Congress than the passage of this measure to do justice to efficient and loyal Government servants.

The bill to which I have referred H. R. 4123, is as follows:

A bill (H. R. 4123) to readjust the compensation of postmasters and reclassify and readjust the salaries and compensation of employees in the Postal Service.

Be it enacted, etc., That on and after July 1, 1924, the compensation and salaries of postmasters and employees of the Postal Service shall be reclassified, except as otherwise provided, as follows: Postmasters of the third class shall be granted for clerk hire an allowance of $240 per annum where the salary of the postmaster is $1,000 per annum; an allowance of $330 per annum where the salary of the postmaster is $1,100 per annum; an allowance of $420 per annum where the salary of the postmaster is $1,200 per annum; an allowance of $510 per annum where the salary of the postmaster is $1,300 per annum; an allowance of $600 per annum where the salary of the postmaster is $1,400 per annum; an allowance of $690 per annum where the salary of the postmaster is $1,500 per annum; an allowance of $780 per annum where the salary of the postmaster is $1,600 per annum; an allowance of $870 per annum where the salary of the postmaster is $1,700 per annum; an allowance of $960 per annum where the salary of the postmaster is $1,800 per annum; an allowance of $1,050 per annum where the salary of the postmaster is $1,900 per annum; an allowance of $1,140 per annum where the salary of the postmaster is $2,000 per annum; an allowance of $1,230 per annum where the salary of the postmaster is $2,100 per annum; an allowance of $1,320 per annum where the salary of the postmaster is $2,200 per annum: *Provided*, That postmasters of the fourth class shall be granted an allowance for rent, fuel, lighting, and equipment—where the compensation does not exceed $150 per quarter an amount equal to 10 per cent of the compensation; where the compensation exceeds $150 per quarter an amount equal to 15 per cent of the compensation.

SEC. 2. The several grades of supervisory employees shall retain the same relative position as compared with the highest grade of letter carrier, clerk, and special clerk as under existing law: *Provided*, That the lowest supervisory grade shall receive a salary of not less than $100 more than that paid the highest grade of special clerk.

SEC. 3. Clerks in first and second class post offices and letter carriers in the City Delivery Service shall be divided into three grades as follows: First grade, salary $2,000 per annum; second grade, salary $2,200 per annum; third grade, salary $2,400 per annum: *Provided*, That in the readjustment of grades for clerks at first and second class post offices and letter carriers in the City Delivery Service to conform to the grades herein provided clerks and carriers who have been in the service for less than one year shall be included in the first grade; clerks and carriers who have served one year and less than two years as regular clerks or carriers shall be included in the second grade; clerks and carriers who have served two or more years as regular clerks or carriers shall be included in the third grade: *Provided further*, That clerks in first and second class post offices and letter carriers in the City Delivery Service shall be promoted successively after one year's service in each grade until the third grade is reached, and all promotions shall be made at the beginning of the month following one year's service: *Provided further*, That there shall be two grades of special clerk as follows: First grade, salary $2,500 per annum; second grade, salary $2,600 per annum: *Provided further*, That promotion from the third grade to the first special-clerk grade shall be made after not more than two years' service in the third grade and promotion from the first special-clerk grade to the second special-clerk grade shall follow after one year's service in the first special-clerk grade: *Provided further*, That the first grade of special clerk shall include all special clerks now in the first special-clerk grade and the second grade of special clerk shall include all special clerks now in the second special-clerk grade: *Provided further*, That substitute clerks in first and second class post offices and substitute letter carriers in the City Delivery Service when appointed regular clerks or carriers shall have credit for actual time served on a basis of one year for each 306 days of eight hours served as substitute and be appointed to the grade to which such clerk or carrier would have progressed had his original appointment been to grade 1: *Provided further*, That the pay of substitute, temporary, and auxiliary clerks at first and second class post offices and substitute, temporary, and auxiliary letter carriers in the City Delivery Service shall be at the rate of 80 cents per hour: *And provided further*, That no clerk or letter carrier shall be denied promotion until he has been notified by his postmaster in writing of the reasons of said denial and be given an opportunity to submit an answer in writing. The recommendation of a postmaster withholding the promotion of a clerk or carrier, together with all correspondence, including the answer of the clerk or carrier, must be forwarded to the Post Office Department for review before final action is taken.

SEC. 4. Letter carriers in the village delivery service shall be divided into two grades, as follows: First grade, salary $1,400 per annum; second grade, salary $1,600 per annum. Carriers in the village delivery service shall be promoted to the second grade after one year of service in the first grade.

SEC. 5. Messengers, watchmen, and laborers in first and second class post offices shall be divided into two grades, as follows: First grade, salary $1,800 per annum; second grade, salary $2,000 per annum; *Provided*, That watchmen, messengers, and laborers shall be promoted to the second grade after one year of service in the first grade.

SEC. 6. The annual salaries of officials of the Railway Mail Service shall be as follows: Division superintendents, $4,800; assistant division superintendents, $4,000; assistant superintendents, $3,900; assistant superintendent in charge of car construction, $3,600; chief clerks, $3,600; assistant chief clerks, $3,200.

Railway postal clerks shall be appointed for the purpose of sorting and distributing the mails in railway post offices, terminal railway post offices, and transfer offices, as transfer clerks, for service in the offices of division superintendents and chief clerks, and such other services as may pertain to the Railway Mail Service. Appointment shall be to the rank of substitute clerk. Substitute clerks shall be paid a salary at the rate of $1,600 per annum for actual service performed until they shall have passed a preliminary examination on the postal laws and regulations and a satisfactory examination on a distribution of not more than 800 post offices, after which they shall be rated as qualified substitute clerks and receive a regular salary at the rate of $1,600 per annum. After six months' service as a qualified substitute they shall be promoted to the rank of railway postal clerk of grade 1 and be promoted thereafter as herein provided. Clerks shall be designated as railway postal clerks and shall be promoted successively to grade 5 and receive the salary of the grade to which they are promoted.

Railway postal clerks shall be of the following grades, with corresponding salaries: Grade 1, $1,700 per annum; grade 2, $1,850 per annum; grade 3, $2,000 per annum; grade 4, $2,300 per annum; grade 5, $2,600 per annum; clerks in charge, $2,800 per annum.

All clerks assigned to the offices of division superintendents or chief clerks' offices shall be promoted successively to grade 5, and in the office of each division superintendent four clerks shall be promoted to a salary of $2,800 per annum, and in the office of each chief clerk one clerk shall be promoted to a salary of $2,800 per annum.

Clerks in charge of sections in the offices of the division superintendents shall be rated as assistant chief clerks and receive a salary of $3,200 per annum.

Examiners in offices of superintendents and chief clerks shall receive a salary of $2,800 per annum, and the chief examiner at division headquarters shall receive a salary of $3,200 per annum: *Provided*, That whenever a clerk is assigned to perform the duties of a clerk in charge, either temporarily or in case of vacancy, he shall be paid the salary of that assignment.

Promotions shall be made successively at the beginning of the month following a total service of 306 days in the next lower grade.

All employees herein provided for in the successive grades who have not reached the maximum grades to which they may be promoted successively shall be promoted to the grade to which such postal employee or substitute postal employee would have progressed had he been promoted successively at the beginning of the month following a total of 306 days' service in the next lower grade, regardless of any increases of salaries granted them by the provisions of this act.

SEC. 7. Letter carriers in the Rural Delivery Service on both horse-drawn and motor routes shall be granted the following allowance, to be paid semimonthly, for the maintenance of their conveyance used in the service and for other necessary equipment: Each regular or temporary carrier serving a daily route shall be allowed per month $1.50 per mile, or major fraction thereof, for maintenance of his equipment: *Provided*, That carriers on all triweekly routes shall receive one-half of the monthly allowance provided for the carriers serving daily routes whenever services provided for are rendered.

SEC. 8. Employees in the motor-vehicle service of the Post Office Department shall be classified as follows: Chauffeurs shall be divided into five grades: First grade, salary $1,800 per annum; second grade, salary $1,900 per annum; third grade, salary $2,000 per annum; fourth grade, salary $2,100 per annum; and fifth grade, salary $2,200 per annum. Promotion from a lower grade into the next higher grade shall follow successively after a year's service.

Mechanics shall be divided into five grades: First grade, salary $1,800 per annum; second grade, salary $1,900 per annum; third grade, salary $2,000 per annum; fourth grade, salary $2,100 per an-

num; fifth grade, salary $2,200 per annum. Promotion from a lower grade into the next higher grade shall follow successively after a year's service.

Garage men shall be divided into two grades: First grade, salary $1,600 per annum; second grade, salary $1,700 per annum. Promotion from the first grade to the second grade shall follow a year's service in the first grade.

THIRD AND FOURTH CLASS POSTMASTERS.

Mr. Chairman, this measure deals with third and fourth class postmasters, but it does not propose to increase the salaries of these officials. It undertakes to provide allowances, now paid out of the pockets of the postmasters, for the proper and efficient conduct of the Postal Service.

I have here a letter just received from Mrs. Camilla Adams, postmaster of a third-class post office in my district. Let me quote a paragraph:

Liking my work here in the post office, and enjoying the appreciation of my patrons for the service I give them, I naturally have a pride in conducting my office in the most efficient manner and in giving the best service I possibly can. To do this I must provide efficient clerks, and as the department does not grant adequate pay for them, I am forced to share my salary with them. During December, when our work is increased many times the amount in other months, we are not allowed one cent for extra clerk hire. Last December I paid out more than half my salary for the month to provide clerks so that the Postal Service would not suffer in this town. These clerks and myself worked 18 hours out of every 24 and all day Sunday preceding Christmas and until noon on Christmas. To keep the mails moving it was necessary for me to work 20 hours out of the 24 at one stretch. It was gratifying to know that we had the least congestion and handled the biggest mails of my 10-year service, but when I counted what I had left of my salary after paying my helpers I found that the sacrifice did not pay. I have written the department again asking for an increased allowance.

Mr. Chairman and gentlemen, that is the situation which confronts most of the third-class postmasters in this country.

Third-class clerk hire is now provided in a lump-sum appropriation. For the fiscal year ending June 30, 1924, the appropriation is $4,250,000 for 10,437 third-class postmasters as of July 1, 1923. On October 1, 1923, 381 were advanced from fourth class to third, and on January 1, 1924, 111 were advanced, making a total of 10,929 to be taken care of from this appropriation. Salaries of this class range from $1,000 to $2,200. This appropriation permits the department to grant an average allowance of only $388.

The law provides that allowances may be granted as follows:

Salary:	Clerk hire not to exceed—
$1,000	$450
1,100	450
1,200	450
1,300	600
1,400	600
1,500	600
1,600	700
1,700	700
1,800	700
1,900	900
2,000	900
2,100	1,200
2,200	1,200

The proposed bill provides that allowances shall be granted as follows:

Salary:	Clerk hire.
$1,000	$240
1,100	330
1,200	420
1,300	510
1,400	600
1,500	690
1,600	780
1,700	870
1,800	960
1,900	1,050
2,000	1,140
2,100	1,230
2,200	1,320

It will be seen that under the present law and the current appropriation if the department grants anything approaching adequate amounts in the lower grades those in the higher grades must suffer. If the higher grades are taken care of, those in the lower grades must be neglected.

Postmasters of the third class in order to secure competent help to furnish their patrons good service must use part of their own salaries to supplement the allowances the department can grant. As proof of this, the following is submitted, gleaned from a questionnaire sent out to the third-class postmasters:

States reporting	44
Number of postmasters	594
Salaries	$905,900
Clerk hire allowed by department	$210,450
Clerk hire paid out	$338,581

Thus it is seen that 594 third-class postmasters paid to clerks out of their salaries $128,131, an average of nearly $216 for each postmaster.

Should this average be maintained throughout this service, which is quite likely, third-class postmasters pay out of their salaries yearly $2,336,688 to maintain adequate service in their offices.

This condition clearly calls for legislation that will indicate definite adequate amounts to be paid as clerk hire for each grade from $1,000 salary up to $2,200 salary, the salaries of the third class being based on the receipts of their offices. The bill I have introduced proposes a graduated schedule, so that a third-class postmaster will know how much of his salary he may retain for himself.

Up to the $2,200 grade the clerk is an employee of the postmaster's selection, and paid by him, but when the office reaches $8,000 of receipts it is advanced to the second class, and clerks must be civil-service employees with salaries provided in the law.

ALLOWANCES FOR FOURTH-CLASS POSTMASTERS.

Postmasters of the fourth class are paid, not according to the business they do and the work required, but by percentages of the value of stamps canceled on outgoing mail. As the distributing agencies for the vast volume of parcel post going from the cities to the country they receive nothing, although the work required in handling this is far greater than the work necessary in the sale and cancellation of stamps. These offices, of the higher grades especially, must provide space in which to store this parcel-post matter, much of which is necessarily held for some time.

The fourth-class postmasters receive absolutely nothing from the Government for the items of rent, fuel, and lighting. These they furnish at their own expense. They must also furnish their own equipment, which in the higher grades is expensive. In the proposed bill allowances are granted based on the salary of the postmaster in 10 per cent for those whose compensation does not exceed $600 per annum and 15 per cent for those whose compensation exceeds $600 per annum. The limit of a fourth-class postmaster's compensation is $1,000 per annum.

The allowances proposed in the bill are extremely conservative, as may be judged from the following:

States reporting	46
Postmasters reporting	1,646
Salaries of postmasters	$1,065,835
Rental value of post-office quarters	$117,235
Amount expended for heat and light	$67,658
Value of post-office equipment	$213,611

Taking these reports from fourth-class offices in 46 States, ranging from a few dollars a year to $1,000 a year, we find that 1,646 fourth-class offices reporting received salaries amounting to $1,065,835. The rental value of the post-office quarters occupied is $117,235. It costs them $67,658 to heat and light them. The value of the necessary equipment to conduct the offices is $213,611.

Thus we ascertain that 17.4 per cent of the salaries received are paid out for rent, fuel, and light. Taking the $213,611 invested in equipment, usable only for post-office purposes, we must allow for interest on investment and depreciation in value, 10 per cent for depreciation and 8 per cent for money invested, a total of $38,450, which is 3.6 per cent of the salaries. Therefore the fourth-class postmasters, for the items of rent, fuel, lighting, and equipment, must charge against the salaries they receive 21 per cent. These figures are for the fiscal year ending June 30, 1923.

As to the cost of this provision in my bill, I have made a calculation based upon figures in the Postmaster General's report. It is as follows:

Number, third class, July 1, 1923	Salaries.	Clerk hire.	Total.
395	$2,200	$1,320	$521,400
590	2,100	1,230	725,700
801	2,000	1,140	913,140
898	1,900	1,050	942,900
1,048	1,800	960	1,005,080
998	1,700	870	868,260
792	1,600	780	617,760
951	1,500	690	656,190
1,087	1,400	600	652,200
842	1,300	510	429,420
932	1,200	420	391,440
525	1,100	330	173,250
578	1,000	240	138,720
10,437			8,036,460

Appropriation for fiscal year ending June 30, 1924	$4,250,000
Increase over present appropriation	3,786,460
Estimated amount of allowances for fourth class	2,000,000
Total cost of bill for district postmasters	5,786,460

LETTER CARRIERS AND POSTAL CLERKS.

Mr. Chairman, the clerks and carriers are essential factors in this great postal organization. It is, in fact, built around them and they come into direct contact with the people of America. They are picked men, and make up a personnel of

whom this Nation may well be proud. As a former First Assistant Postmaster General once said of them, in a book on the Postal Service:

The important obligation and responsibility of these postal employees assists in the development of integrity and a sound moral viewpoint. A man who stands this test of character for a period of 10 years without yielding to temptation or deviating from his official duties is an honest man and a good citizen.

What are the requirements for those who desire to become postal clerks and letter carriers in this great service?

Before they are permitted to take the required civil-service examination, applicants seeking a position as letter carrier or clerk must show that they possess the following qualifications:

1. They must be citizens of the United States.
2. They must be between 18 and 45 years of age.
3. They must file an application on a form furnished by the Civil Service Commission.
4. They must be not less than 5 feet 4 inches in height.
5. They must weigh not less than 125 pounds.
6. They must be physically sound and in good health.
7. They must give the names and addresses of five persons, preferably employers, who have knowledge of their character, experience, and ability.
8. Their application must be signed by two vouchers.
9. They must be examined by a physician and furnish a medical certificate showing their physical fitness before they are eligible to appointment.

Having met these requirements, the applicant for the position of letter carrier or post-office clerk must pass an open competitive examination conducted by the Civil Service Commission with an average percentage of not less than 70. The names of those so passing are placed on the eligible list in the order of the average percentages attained, the applicant with the highest average standing at the head of the list.

The successful applicant, when his name is reached on the eligible register, receives, as a rule, an appointment as a substitute carrier or clerk. To qualify for that position they are required to furnish a bond in the sum of $1,000.

DUTIES OF A LETTER CARRIER.

The letter carrier must be gifted with an accurate, retentive memory. He must assimilate for instant use the postal rules and regulations which are contained in a book of 800 pages. In this book are the rates of postage of the several classes of mail matter, rules pertaining to registered mail, special-delivery mail, insured mail, C. O. D. mail, pension letters, and money orders, and the characteristics peculiar to the mailing and delivery of each of those kinds of mail. He must know how to detect obscene mail, dunning notices, and all other prohibited kinds of mail matter, and be prepared at all times to answer the queries of the public. In this latter capacity such a variety of widely dissimilar questions is constantly directed to the carrier that in time he becomes a postal encyclopedia.

The carrier performs work of a clerical nature. That he may arrange his mail in an order of sequence for delivery the carrier must learn the scheme of distribution for his route, which consists in memorizing upward of several thousand names of patrons of the Postal Service and associating those names with the labeled compartments in the post-office distributing case, and thus his mail will be arranged for orderly, expeditious delivery. This work must be done with infinite accuracy because the carrier is the last link in the chain of the post-office system of handling mail, and he is the man who is penalized for all errors of distribution. He must also memorize the names of patrons who formerly resided in his route, so that he will know instantaneously what mail is no longer deliverable on his route, in order that it may be transferred by the carrier to the route to which it now belongs.

The carrier must keep a log book in which are recorded the removal addresses of former patrons of his route. Whenever a letter is received by him of one who removed from his route it is the carrier's duty to cross out the post-office address and inscribe thereon the new address of the addressee. This log book contains hundreds of names and the carrier is required to memorize the forwarding addresses, so that he can write on the envelope, without recourse to the log book, the new address.

In office-building routes the carrier must memorize the room numbers of the addressees so that the mail can be delivered without the delay incident to making reference to the building directory.

The carrier is frequently called upon to obtain information of a strictly confidential nature, elicited by the several secret service departments of the Government, both within and without the Postal Service, he is called upon to give clews to the whereabouts of alleged criminals, of post-office burglars, of seditious persons, of smugglers, of fraudulent schemers making use of the mail service, of deserters from the Army and Navy, of counterfeiters, of illicit distilleries, and other revenue dodgers.

He is called upon to report places where persons speaking foreign tongues congregate, to take the census of foreign-born peoples, to furnish the names of young men eligible for Army or Navy service, and often is intrusted to him the task of gathering information which will result in locating heirs or in reuniting families whose members have been lost to each other. The carrier must exercise particular care in the delivery of pension letters, letters to receivers, valuable registered mail, and is often ordered to stop letters in transit.

The carrier in charge of a motor vehicle must be a mechanic and chauffeur. All classes of mail are collected by motor vehicles, and large parcel-post packages and large registered parcels are delivered by motor vehicles. The carrier must know how to operate and repair the vehicle under his management.

The carrier is a fiscal agent. He is used as a collection agency in delivering C. O. D. parcels and unpaid mail, and is responsible for all moneys intrusted to his custody as well as for the mail and packages. He also carries with him on his route a book used for registering mail of patrons unable or unwilling to take it to the post office for registration, and he is accountable for the moneys received by him for such a purpose.

An efficient carrier must be a sphynx in respect to knowledge acquired by him in the performance of his duties, imparting to no one, under penalty for violation thereof, confidence received by him in his employment.

He must be a trained diplomat in handling all classes of people—the irate, the quarrelsome, the complaining, and the "knockers."

He is the buffer between the patron whose grievance is not redressable and the department charged with responsibility for rectifying the complaint of the aggrieved.

He must be honest, sober, loyal, and industrious, as well as neat and circumspect in his attire.

In times of great emergencies the carrier is called upon to perform a multitude of duties which are promotive of the public good.

During the recent World War he collected funds for the Salvation Army, sold Liberty bonds, thrift stamps, and rendered valuable assistance in getting income-tax statements filed, and performed sundry other duties related to the many authorized war activities of the United States.

Supplementing all the foregoing duties, it is required of the letter carrier that he be a man of integrity and responsibility, meeting all his financial obligations promptly, that he live decently, and that he present always a neat personal appearance.

All these duties combine in a constant mental and physical strain upon the men. The physical requirements are not to be exaggerated, but it is to be noted (1) that the carrier must walk from 2 to 6 miles each trip and make three to five trips daily; (2) that in the business districts he must necessarily do a great deal of stair climbing; (3) that he must carry a load ranging from 40 to more than 100 pounds; and (4) that he must do his work in all kinds of weather, subjecting himself to extremes of heat and cold, braving blizzards and storms, plowing through snow, and exposing himself to hail and sleet.

He is subject to the following efficiency standard:

A letter carrier serving a two-trip district is required to route for delivery 18 pieces of letter-size mail per minute and 8 pieces of other classes of mail.

A three-trip carrier is required to route 19 letter-size pieces of mail per minute and 9 pieces of other classes of mail.

Four and five trip carriers must route 22 pieces of letter-size mail per minute and 10 pieces per minute of other classes of mail. He is allowed from 7 to 18 minutes per day in withdrawing mail from routing cases, and from 8 to 18 minutes per day for stamping it into bundles for delivery, according to the number of delivery trips which he makes. Other allowances are 1 minute for entering 2 changes of address in a log book provided for that purpose, 1 minute for forwarding 5 pieces of mail, 2 minutes each for first 5 C. O. D. parcels receipted for, and 1 minute allowance for each additional piece; 2 minutes for 10 or less registered letters signed for, 3 minutes' allowance for all over that number; 2 minutes to obtain postage-due mail, and 1 minute for obtaining letter-box key. In fact, each minute of a day's employment is part of a rigid efficiency system.

DUTIES OF A POST-OFFICE CLERK.

Post-office clerks necessarily have to be equipped with a good education, also possess exceptional natural ability to properly perform their duties in an efficient manner. They must of necessity possess excellent moral and physical qualifications. Their duties are most exacting and require constant attention. The rules and regulations governing post-office clerks are so strict that only those who can conform themselves to rigid discipline remain in the Postal Service.

The average post-office clerk is compelled to memorize and carry in his head anywhere from 3,000 to 10,000 names of different post offices or separations in city distribution. This necessarily compels a clerk to devote a considerable portion of his time at home to scheme study.

The regulations of the Post Office Department require that clerks attain an average of 95 per cent in rigid tests on their knowledge of the scheme of distribution, which consists of distributing 16 pieces of mail per minute. Special clerks are required to show 98 per cent perfection, distributing 18 pieces of mail per minute. Clerks are required to pass tests of this nature from time to time. Every error in distribution is checked against an employee's efficiency record and automatically reduces his efficiency rating. All post-office clerks are required to ring a time clock four times each day, each failure being checked against them and also automatically reduces their efficiency rating, as does each minute of tardiness in reporting for work.

The clerks at stamp windows or in the wholesale stamp department and in the central accounting department, where stamps are supplied to about 800 different post offices in the State, are checked up every month, and if any shortages are found must reimburse the Post Office Department from their own funds. This same regulation applies to clerks in the postal-savings and money-order divisions, where they are required to strike a balance each day at the end of their tour of duty, shortages being made up out of their funds.

The clerks of the finance department, whether handling registered mail, postal-savings funds, money-order funds, or stamps, are all bonded anywhere from $1,000 to $10,000, for which they pay a premium of from 50 cents to $10 annually out of their personal funds. Notwithstanding this fact, they still have to make good all shortages.

Approximately 70 per cent of the post-office clerks are compelled to work at night because of the fact that business and other large patrons of the post office do not deposit their mail until after the close of the business day.

Night work constitutes the most discouraging feature that confronts persons entering the Postal Service. It cuts them off from all of the natural social life of the community; it destroys the possibility of a happy home life, depriving the head of the family of the opportunity to enjoy his leisure hours with his family.

And remember, Mr. Chairman, these employees, meeting such rigid requirements and performing such arduous duties, are paid to-day salaries ranging from $1,400 to $1,800 a year. The man who receives $1,400 must pay $35 to the retirement fund, which leaves him $1,365 a year, or an average weekly salary of $26.25.

The man who receives $1,800 must pay $45 to the retirement fund, which leaves him $1,755 a year, or an average weekly salary of $33.75.

Also, these men, unlike employees of States and municipalities, must pay the Federal income tax, and they must purchase summer and winter uniforms, summer and winter hats, out of their own funds. Can anyone believe that there is not suffering and privation for postal employees and their families under such conditions as these?

The bill which I have introduced fixes the salary range from $2,000 to $2,400 for regular clerks and carriers, with appropriate provisions for special clerks at $2,500 and $2,600. As nearly as can be ascertained from figures available, the additional appropriations required to put its provisions into effect would be as follows:

CLERICAL FORCE.

27,030 promoted from $1,800 to $2,400	$16,218,000
3,253 promoted from $1,700 to $2,400	2,277,100
6,075 promoted from $1,600 to $2,400	4,860,000
6,014 promoted from $1,500 to $2,200	4,209,800
2,899 promoted from $1,400 to $2,000	1,739,400
5,062 new men appointed since July 1, 1923, promoted from $1,400 to $2,000	3,037,200
25 per cent increase in auxiliary allowance on account of the increase from 60 to 80 cents per hour for the substitute	2,250,000

SPECIAL CLERKS.

950 promoted from $1,900 to $2,500	$570,000
6,477 promoted from $2,000 to $2,600	3,886,200
Total	39,047,700

CARRIER FORCE, CITY DELIVERY.

31,533 promoted from $1,800 to $2,400	18,919,800
2,202 promoted from $1,700 to $2,400	1,514,000
3,346 promoted from $1,600 to $2,400	2,676,800
2,134 promoted from $1,500 to $2,200	1,493,800
913 promoted from $1,400 to $2,000	547,800
3,112 new men appointed since July 1, 1923, promoted from $1,400 to $2,000	1,867,200
25 per cent increase in auxiliary allowance due to the pay of substitutes being increased from 60 to 80 cents per hour	2,000,000
Total	28,819,800

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. KELLY. Yes.

Mr. TAYLOR of Tennessee. Would those who now receive the maximum under your bill automatically receive $2,400?

Mr. KELLY. Those now receiving $1,800 would go automatically up to $2,400. Those receiving $1,400 would be brought up to $2,000. This increase and the increase of the substitutes from 60 cents to 80 cents an hour and the special clerks' compensation would make a total of about $39,000,000 for the clerical force.

Mr. BLANTON. For how many people?

Mr. KELLY. The whole clerical service. That covers some 57,000 employees. As to the carrier service, the carriers would be paid in the same scale as the postal clerks, and it would make an increase of $28,000,000.

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. KELLY. Yes.

Mr. COLTON. Referring to your statement as to the $28,000,000, did I understand the gentleman to say that that would be the total increase?

Mr. KELLY. For the city carriers.

Mr. COLTON. For the city carriers only?

Mr. KELLY. Yes. The new schedule provided in this bill would involve an increase of $28,000,000 for the carrier service.

Mr. MADDEN. That would be in the first year.

Mr. KELLY. It would be no more later, because the new employees would begin with the minimum salary.

Mr. COLTON. That is clerks and carriers?

Mr. KELLY. Yes.

Mr. LARSEN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. KELLY. Yes.

Mr. LARSEN of Georgia. Has the gentleman made any provision in the bill which he introduced about advancing an office from the grade of village carrier service to city delivery service? I have a case in mind in my own district where the village service has prevailed for 14 years, and for three or four years the receipts of the office have been such as to entitle the post office to be advanced to city delivery service. The Post Office Department declines to do it, saying that the people of the town have no interest in it, because under the village delivery service they get the same service as they would get if they were advanced to city delivery service. Has the gentleman made any provision for that?

Mr. KELLY. No. That is outside the scope of this measure.

Mr. LARSEN of Georgia. I understand you want to change the grade?

Mr. KELLY. Yes; of postal employees, and to increase their compensation.

Mr. LARSEN of Georgia. Would it not be wise in the gentleman's bill to provide for the advancement from one office to the other; that is, from the village carrier service to the city delivery service?

Mr. KELLY. I think it would be better in the ordinary procedure to change it from village delivery to city delivery whenever the facts warrant.

Mr. LARSEN of Georgia. In this particular case the Post Office Department put their refusal purely on the ground of economy. But they have money that could be paid to these men. I say these men are performing the same kind of service, and are entitled to just compensation for the services rendered.

Mr. KELLY. I agree with the gentleman. I have not had any difficulty in securing a change from village to city delivery when it was justified, but I agree with the gentleman on the principle he mentions. Of course, my measure simply deals

with the village delivery carriers, increasing their compensation.

RAILWAY MAIL SERVICE.

Now, Mr. Chairman, let us take up the Railway Mail Service, the backbone of the postal establishment. The efficiency of the trained railway postal clerk is one of the marvels of the world. During the past year these clerks distributed over 16,000,000,000 pieces of mail, and for many years this distribution has been 99.9 per cent correct.

While the volume of postal business has been doubling the number of these railway postal clerks has actually decreased. For the fiscal year 1913 the revenues of the department were $266,619,525 and for the fiscal year 1923 they were $532,828,000, more than 100 per cent increase. Contrast with that the number of these clerks. In 1913 there were 16,298 road clerks of all classes, while in 1923 that number had been reduced to 13,773.

What kind of men make up this force of railway mail clerks, and what are the qualifications for this important task?

First, he must have passed a careful and searching physical examination by a responsible physician. He must be sound in all his members and have possession of all his faculties. The loss or impairment of sight, hearing, and locomotion bars him from entrance. After the applicant is granted permission to appear for examination under the civil-service rules he must attain a scholastic standing or rating equivalent to a high-school education. If he does not possess these qualifications his position on the eligible list will prevent him receiving an appointment into the service.

In other words, the applicant must have a liberal education along lines that are practical and applicable to the Railway Mail Service.

After the applicant has been appointed to the Railway Mail Service, then begins his long course of what we might term scientific training. He is given a State scheme, showing all the post offices, railway post offices, closed-pouch lines, and distributing offices in the respective State.

In case the State scheme contains more than a certain number of offices, it is divided into sections; otherwise he is required to study the State as a whole. A State, or section, then becomes his unit for examinations.

In connection with this he is furnished a division railroad schedule, or time table, showing each and every railway post office, closed-pouch line, and closed pouch.

In addition to the aforementioned studies he is furnished a copy of the Postal Laws and Regulations as they affect the Railway Mail Service, and this group then becomes his permanent scope of study, with this exception: That States are added from time to time until the entire study scope of his lines or assignment is included.

While the clerk remains on the substitute list or awaiting a permanent appointment or assignment he is required to appear for case examination every 90 days. The substitute is frequently compelled to remain at the same salary for several years and is required to be available for service at all times.

After he received his permanent assignment to road duty his study requirements are changed to meet the requirements of his distribution or the group to which he is assigned.

The case examination consists of all the post offices in the State, or section of a State. On the face of each card is placed the name of the post office and State, on the reverse side of the card is written the county, also the supply of each railway post office, closed-pouch line, or distributing office, from which said office is supplied. All these details must be committed to memory.

When the clerk appears for examination at a place designated by the chief clerk, he is placed at a case containing all the separations that are required for that section and given the set of cards which have been prepared by the examiner and show only the name of the office. Each subdivision of the case has placed over it a label showing the name of the railway post office, closed-pouch line, or distributing office.

Time is then taken by the examiner showing the time the examination or casing of the cards or offices begins. The object, then, is to put each card or office in the correct box with the greatest possible speed and accuracy. When all cards are cased the time is taken and the examiner proceeds to take each box and carefully examine the cards for errors in distribution. On the result of this is based the clerk's examination record, showing percentage accurate, and speed per minute. The clerk must attain the speed of 16 per minute, with an average for correct casing of 97 per cent. If this rating is not attained the clerk suffers the penalty provided in the efficiency system.

The examination on postal laws and regulations is written. The clerk is given a list of questions and is required to write the answers showing his knowledge of the postal laws and regulations. This examination is passed on by the examiner and the rating is given according to his correct knowledge.

The study and examinations, as described above, continue with the clerk during all the years he is connected with the service. It is the very foundation of the Railway Mail Service, and on this phase rests the whole fabric of the Post Office Department.

The time and close application spent by clerks in the preparation for examination compares very favorably with that spent preparing for any of the professions, with this addition: This strict application must continue during the whole time he is connected with the service. In the event a clerk is separated from the service, either by resignation or departmental action, then all these years of scientific preparation become valueless. There is no other market for his special training. He can not go out into the industrial world and sell his wares, because there is no demand for men of his training.

Even in this race he suffers in competition, because he has spent the best years of his life in the service and must now compete with youth.

His duties are manifold—that is, he is performing the distribution required on his line, he handles the registered mail, as well as performs the duties of a clerk in charge in making out trip reports, answering communications, and furnishing such data as is required by the department.

The length of the line is determined by the location of logical junction points. The hours of duty are long and arduous. These crews are on duty a certain number of days and then have an earned lay-off. In explaining the earned lay-off period, I would have you bear in mind, the lay-off period was originally intended to be used for rest, recuperation, and study. Now the entire lay-off period is largely consumed in study and other official duties, such as study and preparation for examinations, preparing slips, pouch slides, etc., for the road, attending to correspondence, correcting schemes and schedules, review of distribution, and such other duties that are not road duty.

The amount of work required of the railway postal clerk while on road duty combined with the official duties exacted from him on his lay-off period exceeds the standard set for other Government employees.

The work of a railway postal clerk is twofold in its character. It requires constant mental activity, combined with rigorous physical effort. Therein lies the difference from all public or private service, for nowhere else is this required in so great degree. The law or regulations make no allowance, either in compensatory time or money, for those clerks who work at night.

Furthermore, there is the constant eye strain. A man with defective vision can not enter the service, yet disordered vision is one of the most common ailments among clerks. Light experts claim the light least injurious to the eyes is the soft diffuse light, well scattered and of equal brilliance, but years of experience proves to the railway mail clerk that to perform his duties he must have an intense light and concentrated brilliance. Working under these conditions rapidly affects the eyes as well as the entire nervous system.

In addition to the heavy roustabout work, the dual character of this work is best shown by describing a day's or night's work. The average number of packages of letters distributed by a clerk per day is approximately 225. Each package averages about 42 letters, making a total of 9,450. Had anyone told an inexperienced person to stand before a case and push his arm back and forth, pistonlike, for that number of times, he would have said it was a physical impossibility, yet this is done and it is often exceeded and not that alone, for every movement of the arm is directed by a distinct mental effort accurately controlling the destination of each letter. It is indeed a marvelous kind of work that is being done daily by the distributing force of the Railway Mail Service.

It would be beyond the range of human possibility for anyone to work at this speed under existing conditions in the Railway Mail Service for any great length of time. Complete mental and physical collapse would be the inevitable result. Competent physicians say the railway mail clerk on the heavier lines does not regain his normal condition within 24 to 36 hours after ending his tour of road duty and that complete rest from mental or physical effort should follow to restore depleted vitality.

I have attempted to show you the class of men required by the Post Office Department for the Railway Mail Service, the course of study assigned them for their preparation in this important work, and how that study makes specialists or

skilled men. I have attempted to describe their work from a mental and physical standpoint. I believe you will recognize that the railway mail clerk, in his earning capacity, should be classed with the highest type of skilled mechanics and closely allied to the professional man.

If that be true, then it is only fair that he be paid a salary commensurate with his services to the Post Office Department.

Mr. Chairman, it is little wonder that the present salary scale means great difficulty in securing young men to undertake the duties of this position. I have here a report showing the turnover of employees in the fifteenth division, Railway Mail Service, for the period March to September, 1923.

It shows that in March there were 213 names certified as eligible for appointment as substitute railway mail clerks. One hundred and twenty-seven of these declined appointment because of the low compensation offered. Eighty-six accepted appointment, but 28 resigned in the face of conditions. Only 58, a percentage of 28 per cent, were in service in September at the end of a six-months period. In addition to the above, 43 regular clerks of various grades resigned their positions during the period.

Surely every requirement of justice, efficiency, and common sense demands a readjustment of these salaries along the line provided in my bill.

I make the same plea for the adjustment of salaries in the supervisory grades of the Railway Mail Service.

Salaries in these grades have not been properly adjusted to the duties and responsibilities of the positions. The service is officially administered in the field by 15 division superintendents, 15 assistant division superintendents, 2 assistant superintendents, 4 clerks in charge of departments and office organizations ranging from 10 to 30 clerks and stenographers. Each division of the Railway Mail Service is divided into districts, and there are, according to the last report of the Postmaster General, 117 such districts, each with a chief clerk and assistant chief clerk and an office force of from 5 to 10 clerks and stenographers. Fifteen or 20 years ago the service was simple as compared with the present. The department at Washington formerly gave general supervision to the organization and operation of the service. The superintendent was the departmental agent in the field, making investigations as ordered by the department, and supervising the actual operation in the field. The chief clerk was detailed to certain specific duties which were confined to making schedules of clerks' tours of duty, filling runs in case of emergency, furnishing certain supplies, and making certain regular or special reports. As the service grew it was decentralized more and more, placing greater responsibility upon superintendents' and chief clerks' offices. They were called upon to initiate cases for new or additional service, for the organization of lines, for the expenditures of money for equipment and facilities. The department reviewed and passed on these recommendations, holding the superintendent responsible for efficiency and economy in the administration of the service. Formerly the duties of superintendents and their organizations, including assistant superintendents, chief clerks, and assistant chief clerks, were more of a clerical nature with less supervisory responsibilities. The department assumed the greater share of responsibility. Now the field officials are held responsible for the extent of the clerical forces employed on the road, in terminals, transfer offices, etc., for the compensation paid to the railroads, for the character and conduct of the employees. For example, the superintendent of the fifteenth division, comprising the postal service on the main lines of the Pennsylvania Railroad System from New York via Pittsburgh, Pa., to Chicago, Ill., St. Louis, Mo., and Cincinnati, Ohio, and certain collateral lines, is responsible for the proper performance of service and the disbursement of Government funds for salaries and compensation to railroads annually, as indicated by the following data:

Number of employees	1,290
Number of railway post-office lines	28
Number of miles of railway post-office service	11,690,590
Number of miles of closed-pouch lines	5,058,039
Cost of clerical force (approximately)	$2,800,000
Cost of mail transportation to railroads	$7,325,385
Cost of terminal railway post-office facilities	$37,500
Total annual disbursements	$10,162,885

Since the advent of the parcel post there has been an enormous growth in the service and a very great enlargement of its functions and activities. The transportation problem, especially, has become more important as the volume of mails have increased and the method of payment was changed from the weight basis to the space basis. Under the weight basis the Post Office Department compensated the railroads on the basis of weight carried as determined during the weighing period conducted once in four years. Under the space basis payment is made for actual service rendered, day by day; that is, for actual space units used over the mileage involved, requiring intelligent and vigilant watch of the service constantly. How much depends upon efficient supervision may be gleaned from the fact that train service is constantly changing, either increasing or decreasing in frequency, the flow of mail is constantly fluctuating while steadily increasing in volume, causing the administration of the service to become more complex and calling for the most faithful application of the knowledge and experience gained in the service for its successful handling.

It is not unfair to say that a superintendent of the Railway Mail Service is fairly comparable to the general superintendent of a railroad, and chief clerks of the service to division superintendents of a railroad, and yet the comparative salaries show a much lower scale of pay for the Railway Mail Service officials.

Superintendents, chief clerks, and supervisors of the Railway Mail Service are called upon to deal intimately with questions affecting the welfare of the employees under their supervision, and must necessarily possess qualities of mind and heart that will enable them to deal equitably and humanely with such problems. In their official intercourse they come in daily contact with important service and business problems that call for the exercise of tact, judgment, and a high degree of executive ability. Character and ability are prime requisites in the qualifications of supervisory officials of the Railway Mail Service. The salaries of these positions should be sufficiently inviting to secure the best available men from the ranks. Under the postal laws and regulations, officials of the Railway Mail Service are prohibited from engaging in any outside employment for profit, and are, therefore, entirely dependent upon their salaries, while in the great majority of commercial institutions profit-sharing plans, bonuses, commissions, and honorariums add largely to the incomes of executives.

I submit further that the duties and responsibilities of a superintendent of the Railway Mail Service are as important as those of postmasters at the larger first-class offices. While the jurisdiction of a postmaster is a local one, limited to the delivery zones of his office, the jurisdiction of a division superintendent of the Railway Mail Service extends over a number of States, with responsibility not only for the transportation of the mails within the territory over which he has jurisdiction, but also for the proper make-up and dispatch of mails by all post offices in the division. The outgoing mails from a post office are dispatched under instructions and directions of the Railway Mail Service in accordance with the postal laws and regulations. The mailing division of a post office is charged with the transportation of the mails within the city; the Superintendent of the Railway Mail Service with the transportation in all States within his division. The importance of the position of a division superintendent reflects the importance of the duties of all staff officers, including assistant superintendents, chief clerks, assistant chief clerks, heads of departments, and clerical forces.

The office force generally must have a good working knowledge of conditions on the road, as this is essential to the prompt and efficient handling of the work at practically every desk. Some of the important work being done under the supervision of the heads of sections are the compiling and preparation of schemes of distribution, reviewing organization plans and needs for service changes, checking and certifying affidavits of transportation companies' claims for payment, conducting examinations of clerks on schemes of distribution, preparation and certification of pay rolls, including travel allowances. The pay-roll work has become especially complicated since the enactment of the present 8-hour law as applied to the railway service, under which every minute of time must be accounted for to insure proper adjustments for overtime and deductions for nonperformance of service.

Mr. Chairman, the measure I have presented provides a scale of salaries for supervisory officials in the Railway Mail Service, ranging from $4,800 for division superintendents to $3,200 for clerks in charge of sections.

It also provides five grades for railway mail clerks, ranging in salary from $1,700 to $2,600, and that substitutes shall be paid at the rate of $1,600.

It is impossible, of course, for me to estimate exactly the cost of these provisions, but from the figures available I have made a calculation which is approximately correct. It is as follows:

Scale of wages in Railway Mail Service.

	Number.	Present salary.	Proposed salary.
Division superintendents	15	$63,000	$72,000
Assistant division superintendents	15	48,000	60,000
Do	2	6,200	7,800
Assistant division superintendent car construction	1	3,000	3,600
Chief clerks	121	363,000	435,600
Assistant chief clerks	121	302,500	387,200
Clerks in charge of sections	58	145,000	185,600
Clerks in grade 6	4,887	11,240,100	13,683,600
Clerks in grade 5	7,608	16,357,200	19,780,800
Clerks in grade 4	3,963	7,926,000	9,114,900
Clerks in grade 3	1,868	3,455,800	3,736,000
Clerks in grade 2	427	725,900	789,950
Clerks in grade 1	214	342,400	363,800
Vacancies	394	669,800	728,900
Laborers, grade 2	387	561,150	561,150
Laborers, grade 1	243	328,050	328,050
Total	20,324	42,537,100	50,238,950

Additional cost, $7,701,850.

Mr. NEWTON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. KELLY. Yes.

Mr. NEWTON of Missouri. Can the gentleman tell us what the average railway mail clerk receives now?

Mr. KELLY. The salaries now have a range from $1,600 to $2,300.

RURAL FREE DELIVERY SERVICE.

Mr. Chairman, section 7 of my bill deals with the Rural Mail Service. These men are paid $1,800 for the standard rural free delivery route, and they are obliged to pay for all equipment and transportation facilities from their compensation. This expense in performing a vital public service in some cases cuts their pay in two. It is unfair, and the best way of meeting an intolerable situation is to provide an allowance for the maintenance of equipment.

In the bill I have introduced there is a provision for $1.50 per mile per month, which amounts to 6 cents a day for each mile covered. According to the Postmaster General's report the rural carriers covered during the fiscal year of 1923 a total of 360,256,364 miles. Then at the rate provided the additional cost for this allowance would be $21,615,381.

Mr. MANLOVE. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. MANLOVE. You say the rural free delivery carriers have a salary of $1,800 a year. Does not that include all their equipment and the upkeep of their equipment?

Mr. KELLY. They must pay for their equipment out of that salary. At present there is no equipment allowance for rural free delivery men, but my measure provides an allowance of 6 cents per mile.

Mr. DENISON. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. DENISON. How much would that mean for the average rural carrier?

Mr. KELLY. The standard route is 22 or 24 miles, and this, of course, would be 6 cents a mile or $1.44 a day.

Mr. MADDEN. The standard route is 24 miles.

Mr. KELLY. I figured the entire mileage as given in the Postmaster General's report, and multiplied that by 6 cents to arrive at the cost of the provision.

Mr. HOCH. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. HOCH. Does the bill make any changes in the basic salaries of the carriers?

Mr. KELLY. No; it simply provides for 6 cents a mile and is intended to cover equipment. That proposition, of course, has been taken up by the Rural Free Delivery organizations and worked out carefully.

Mr. COLTON. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. COLTON. Has the gentleman any figures as to the comparative increase in the salaries, if the amount were placed, say, at $2,400 as a maximum, and the cost of the proposed equipment?

Mr. KELLY. Such a salary increase would amount to an increase of about 33⅓ per cent. For the equipment proposition it would mean an increase of about 25 per cent.

Mr. LOWREY. Before the gentleman proceeds further, will he yield?

Mr. KELLY. I will.

Mr. LOWREY. I have not been present all the time and may have missed something the gentleman has already explained. But the carriers who write me say that the carriers in the cities have their transportation furnished them. What does that mean and what about that?

Mr. KELLY. There are no allowances in the Post Office Department that I know of for transportation expenses of city carriers.

Mr. LOWREY. Rural carriers have written me that the carriers in the cities have their transportation furnished, and they believe the rural carriers ought to have it.

Mr. MANLOVE. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. MANLOVE. It is a fact, is it not, that the city carrier who must have transportation to carry his extra mail has a horse and buggy or a horse and wagon furnished, or an automobile furnished, at the expense of the Government? I am so informed by carriers in my city.

Mr. KELLY. Yes; but that is for delivering parcel post and mail in bulk to certain centers for individual distribution.

Mr. MANLOVE. Yes; and it is at the expense of the Government.

Mr. KELLY. That is true. But the cost for transportation in connection with Rural Free Delivery carriers, of course, is a matter that is a part of the contract; they are required under their contracts to furnish transportation for the mail. I propose to grant them an allowance to cover that cost.

Mr. PAIGE. Will the gentleman yield?

Mr. KELLY. Yes; I will be glad to yield to my friend from Massachusetts.

Mr. PAIGE. I understand the gentleman has three grades—first grade, $2,000; second grade, $2,200; and third grade, $2,400—but I understood you to state in your remarks a few moments ago that you started at $1,800.

Mr. KELLY. No; I provide for $2,000, $2,200, and $2,400, while the present maximum is $1,800.

Mr. PAIGE. The gentleman has given the estimated cost of those several items; has the gentleman the total cost?

Mr. KELLY. As I have stated, the total cost of all these provisions can only be approximated from the figures available, but I have tried to figure them as best I could with the help of a number of men thoroughly conversant with the Postal Service.

But first let me mention the other items in the measure and give an estimate of the cost of all.

Section 2 covers the supervisory employees in the post offices and postal stations and provides that they shall retain the same relative position as at present, where the lowest supervisory grade shall receive a salary of not less than $100 more than that paid the highest grade of special clerk. If we figure that the entire number, 4,485, in the grades above that of special clerk will receive an increase of $600 a year the total cost would be $2,691,000. This amount is excessive, since there will not be such an increase for all those in the grade of supervisory employees.

Section 4 provides for an increase in the village carrier service, where the present salaries are $1,000 for the first year and $1,200 for the second year. I increase that by $400 in each grade, which means an average increase of 36⅔ per cent. The appropriations for the fiscal year of 1923 amounted to $1,309,998, and the increase would mean $470,222 on that basis.

There is provision also for the classification of messengers, watchmen, and laborers, and increased compensation. Five hundred and fifty now in grade 1 at $1,350 would be advanced to $1,800, and 2,625 in grade 2 at $1,450 would be advanced to $2,000. These increases would mean a total increased cost of $1,022,500.

The increase in cost of advancing salaries of chauffeurs, mechanics, and garage men can not be estimated, since they are paid from the lump sum appropriated for the motor-vehicle service.

Thus, the estimates for the increased cost under the provisions of my bill would be about as follows:

Clerical force	$39,047,700
City carriers	28,819,800
Rural carriers	21,615,381
Railway Mail Service	7,701,850
Supervisory force	2,691,000
Third-class postmasters	3,786,460
Fourth-class postmasters	2,000,000
Village delivery carriers	470,222
Laborers, watchmen, messengers	1,022,500
Total	107,154,000

Now, I have figured the advances at the full cost of the maximum salaries and this I believe means a substantial overestimate. The separations from the service each year amount to more than 8 per cent of the total and of course the new employees enter at the minimum salaries. The total cost of the increased schedules should be approximately $100,000,000.

Does that seem like an immense sum? The answer is in the service itself, a service so important that a few days breakdown would cost the business and industrial interests of America a vastly greater sum. It is the falsest kind of economy to save at the expense of just compensation to the postal workers upon whose shoulders rests this greatest of all business, economic and social services. That the present situation demands immediate remedy is emphatically declared by Postmaster John Smith, of Detroit, Mich. He says:

The Postal Service is an integral part of all business and commercial life. A man without his mail is lost. The executive who is not able to come to his desk in the morning, open his mail, and attend to the various matters on that day, is lost.

Detroit is proud that it does pay high wages, but certainly we can not be proud that our most useful, most loyal public servants of all, are the lowest paid of any group.

In the Postal Service it takes months and years of training before an employee becomes the efficient worker that Uncle Sam wants and needs. The job requires speed, intelligence, honesty, and strong bodies. The majority of postal employees are of the finest stock of American citizens. The work does not appeal to the large floating and foreign populations of large industrial centers of population such as Detroit, where high wages prevail in practically every concern.

Fifteen years ago men were voluntarily transferring from the police and fire departments into the Postal Service. To-day postal employees are going into the other lines of work to the detriment of Postal Service. Uncle Sam has no chance to retain a good man. He does not pay enough.

For 14 months the Detroit post office has been unable to hold a single civil service examination for carriers and clerks for no other reason than that the salary inducement even at the end of five or ten years is so low in comparison with the starting point in other classes of work that few are willing to undertake the jobs.

A conservative estimate would place the number of clerks and carriers in this city who are to-day ready to quit their jobs and go into some other business in which they can earn a living salary, at 75 per cent. Whatever hope there is of a continuation of any sort of decent Postal Service of this city rests squarely upon the shoulders of business men. Three-fourths of the employees to-day are simply holding on to their jobs in the hope that Congress will take some sort of measures to relieve the present conditions.

Our late President, Warren G. Harding, gave a definition of wages which applies directly to the compensation of postal employees. He said:

The workman's lowest wage must be enough for comfort, enough to make his house a home, enough to insure that the struggle for existence shall not crowd out the things worth existing for.

Secretary of Labor James J. Davis, a member of President Coolidge's Cabinet, said in a public address:

* * * I am opposed with all my heart and soul to the so-called living wage. It is not American for a man to receive just enough to live on. If a man is only to get just enough to pay all of the bills on Saturday night, I say it is all wrong in our land. I am against the living wage and in favor of the saving wage. There should be enough in the envelope each week so that the American family may live as human beings. There should be enough so the things in life worth living for will not be crowded out.

Mr. Chairman, the question now arises as to how these increases shall be met. I am one of those who agree with Postmaster General New, who states in his report for 1923:

I believe that the primary function of the department is to render service. Service should be efficient and satisfactory. It should meet the reasonable demands of business and social life. Its cost should be regulated by careful administration along lines of business and economy. When this is secured the question of a strict balancing of expenditures with receipts becomes of secondary importance.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. KELLY. I will yield to the gentleman from New York.

Mr. JACOBSTEIN. In justifying this wage increase, which I will gladly support, have you gone into the question of how the increase in wages for these employees compares with the increase in the cost of living?

Mr. KELLY. I have, indeed.

Mr. JACOBSTEIN. Is it true, as the carriers state to me, that their increase is only about 50 per cent over a period when the cost of living has increased about 75 per cent? Is that approximately correct?

Mr. KELLY. That is approximately correct, and the gentleman from Massachusetts [Mr. GALLIVAN] has put into the RECORD figures which give a comparison with increases in other lines of industry. The fact is that the man in the Postal Service to-day is getting less money than he was getting in 1913. It will not buy as much as it did in 1913, and therefore, to the extent of the loss of purchasing power, it is a reduction. That is not fair for men who have increased their labors and who are in a position where they can not strike for better wages but can only come to the Congress of the United States and respectfully present their case.

I challenge any Member of this House to prove that a yearly compensation of $2,400 will do more than provide for the absolute necessaries of life for a postal worker and his family to-day.

Mr. BOYCE. Will the gentleman yield?

Mr. KELLY. Yes; I yield.

Mr. BOYCE. I desire to inquire whether or not any of the postal employees are receiving the $240 bonus?

Mr. KELLY. No; the postal employees are not included in the $240 bonus provision. They are classified outside the reclassification bill which concerns departmental employees, and for that reason it is the more necessary now to have such a reclassification measure passed for their relief.

Mr. MICHENER. If the gentleman will yield, just what is the total estimated cost, if your bill as presented is enacted?

Mr. KELLY. I just said it would be around $100,000,000.

Mr. MICHENER. You have seen statements that it would amount to $150,000,000, have you not?

Mr. KELLY. Yes.

Mr. MICHENER. Coming from those in authority?

Mr. KELLY. And I heard one distinguished gentleman say $250,000,000.

Mr. MICHENER. That was Mr. MADDEN, was it not?

Mr. KELLY. I understand Mr. MADDEN has suggested that figure. I have explained how I arrived at my estimates of the cost, and I shall welcome a similar calculation by Mr. MADDEN with the explanation as to how he arrives at the figure.

Mr. COLTON. Will the gentleman yield for just one question?

Mr. KELLY. I wish the gentleman from Utah would pardon me for just a moment until I can discuss the question of revenues needed to meet these increases. While I believe the American people would indorse these increases if it were necessary to pay them directly from the United States Treasury, that is not involved. There are just and fair methods for increasing postal revenues to an extent which will meet the sum necessary.

One cent additional on first-class mail would in itself bring added revenues of more than $100,000,000 a year and more than pay every cent of the increases paid under the provisions of my bill. But first-class mail is more than paying its way under present rates, while fourth-class mail is paying much less than the actual cost of handling. Therefore I suggest a readjustment of parcel-post charges as the most practical method of providing increased revenues.

The parcel-post business is to-day 70 per cent of the entire volume of the United States mail. It has grown by leaps and bounds since 1913, when it was first established. I have always been in favor of the parcel-post system, but I am not in favor of carrying this mail matter at a loss to the Government. In 1920, Representative Steenerson, chairman of the Post Office Committee of the House, stated that his investigation led him to the belief that there was a yearly loss of $200,000,000 in the handling of fourth-class mail matter. Undoubtedly that figure is an exaggeration, but it can not be doubted that there is a large loss in this class of mail matter.

The Postmaster General informs me in a letter under date of January 30, 1924, that there was a record of weight of parcel post taken during October, 1921. He states that the weights taken then, extended to the basis of one year and increased by the rate of increase for 1923, would give 4,827,828,617 pounds as the weight of parcel post for 1923.

A flat increase of 2 cents a pound for parcel-post matter would produce more than $96,000,000, or approximately enough to meet the sum needed for these increases in postal compensation.

It can be approached in another way. There should be a minimum rate of 10 cents postage for parcel-post matter weighing 1 pound or more for delivery at office of mailing. There should be a minimum rate of 15 cents for packages of a pound or more dispatched to other offices. These changes would bring in greatly increased revenues and yet would be lower than those possible to other methods of distribution.

The fact is that there have been decreases in the parcel-post rates and increases in the service through Post Office Department regulations since 1913, which have greatly lessened revenues. If we were receiving the original rates there would be a very different story.

Postmaster General New has furnished me with the following list of departmental orders modifying the postal laws

and regulations with respect to parcel-post or fourth-class mail matter:

Order No. 7241, June 26, 1913, making all postage stamps valid in payment of postage on parcel-post matter.

Order No. 7349, July 25, 1913, increasing the limit of weight of parcel-post matter in the first and second zones from 11 pounds to 20 pounds and modifying the postage rates on matter for local delivery and for delivery within the first and second zones.

Order No. 7706, December 6, 1913, increasing the limit of weight of fourth-class mail for delivery within the first and second zones from 20 to 50 pounds and in the other zones from 11 to 20 pounds and modifying the postage rates on parcels for delivery within the third, fourth, fifth, and sixth zones.

Order No. 7705, December 6, 1913, extending the parcel-post classification to books.

Order No. 7880, March 13, 1914, putting into effect the act of March 9, 1914, regarding the postage on seeds, etc.

Order No. 8000, April 27, 1914, putting into effect the act of April 24, 1914, regarding the postage on seeds, etc.

Order No. 9005, July 10, 1915, increasing the limit of size of parcel-post matter to 84 inches in length and girth combined.

Order No. 9010, July 13, 1915, increasing the rate of postage on parcel-post matter mailed for delivery within the first and second zones in cases where the distance by the shortest regular mail route from the office of origin to the office of delivery is 300 miles or more.

Order No. 1140, February 26, 1918, increasing the limit of weight of parcel-post matter to 70 pounds within the first, second, and third zones and to 50 pounds in the other zones.

Now, Mr. Chairman, one of those orders permitted the admission of books and catalogues weighing more than 8 ounces as parcel-post matter. That was of tremendous value to mail-order houses, but it cut down revenues greatly. Before that order these catalogues were third-class matter and the rate was 8 cents a pound. That meant 32 cents postage for a catalogue weighing 4 pounds. The postal regulation referred to invited these great houses to ship their catalogues by freight to central points and then put them into the post offices for shipment in the first and second zones at a cost of 8 cents instead of 32. The Bristow Commission and the Senate Committee on Post Offices and Post Roads went into this matter, and it was reported that one mail-order house had saved more than a million dollars a year in postage through this one regulation.

I believe that one order has decreased postal revenues much more than $5,000,000 a year.

But, aside from that order, the others decreasing parcel-post rates have affected revenues very greatly. For instance, the original rates provided that in the second zone there should be paid 6 cents for the first pound and 4 cents for each additional pound. The present rate is 5 cents for the first pound and 1 cent for each additional pound.

The only possible way to arrive at an estimate of the loss in revenues through these changed rates is to take the only available figures, that of a weighing of parcel post during the two weeks ending May 16, 1914, and extending it through the year with the increase in parcel-post mailings since that time.

I have done that, and the result indicates that there has been lost in 1923 the sum of $35,000,000 through these changes in rates made by the Post Office Department.

Mr. MADDEN. How did the gentleman reach that conclusion? I am curious to find out, because that is quite a large sum.

Mr. KELLY. I will state exactly how I figured it. In 1914 there was a weighing of parcel post, and it was classified "under 5 pounds," "between 5 and 10 pounds," "between 10 and 20 pounds." I took the number of parcels in 1923 and figured it on the basis of the increased number under 5 pounds, the increased number between 5 and 10 pounds, 10 and 20 pounds, and over 20 pounds. I calculated this number on the original and the present rates. I confess that that is only an approximation, but it is the nearest I believe any Member of this House can possibly get to an exact showing of the difference in revenues from these rates. Taking those figures and calculating as I have explained, it shows that there has been a loss of $35,000,000 by the difference in these rates alone.

Mr. MADDEN. Will the gentleman yield?

Mr. KELLY. I will.

Mr. MADDEN. It is rather interesting to know that the gentleman from Pennsylvania has been able to make his calculations so accurately, while the Congress appropriated $500,000 a year ago to employ a large force of experts in the Postal Service to make an ascertainment, and they have not been able to make it yet. I congratulate the gentleman on his ability and genius. If there is ever a new Postmaster General, I will recommend him.

Mr. KELLY. I accept the nomination. I appreciate the compliment and return it sincerely, not sarcastically. This Postal Commission that we have been appropriating hundreds of thousands of dollars for has been a long time on the job and has not up to this good day brought in any definite figures. We have been waiting in vain in the Post Office Committee for results of its labors, and if I can help it to some kind of a conclusion I shall be very glad indeed.

I can give the results of my calculations for each year from 1914 to 1923, and it will speak for itself when it faces the searching scrutiny of the famed experts of the Postal Commission. I shall be glad to compare it with the figures to be furnished some time in the future by that body.

Estimate of loss in revenues through changes in parcel-post rates.

Year.	Packages.	Per cent of increase or decrease.	Increase in amount of loss.	Total loss.
1914	693,553,176			$12,037,982.08
1915	948,637,796	35	$4,213,293.72	16,251,275.80
1916	1,001,011,616	5	812,563.79	17,063,839.59
1917	1,041,362,714	1	170,638.39	17,234,447.98
1918	1,041,362,714	1	170,638.39	17,405,116.37
1919	985,611,424	[1] 5	[1] 870,255.81	16,534,860.56
1920	1,328,468,640	34½	5,621,842.59	22,156,703.15
1921	1,057,224,992	[1] 3	[1] 664,701.09	21,492,200.06
1922	1,471,619,584	38	8,067,036.02	29,559,236.08
1923	1,765,943,942	25	5,911,847.21	35,471,083.29
	1,234,796,198			205,206,944.96

[1] Loss.

Now, Mr. Chairman and gentlemen, these figures only apply to the loss in revenues occasioned by reductions in rates made by the Post Office Department. The original rates were not too high but too low in some instances, and there should be a revision of the entire scale. Or, if desired, a service fee of 2 cents a parcel would mean about $50,000,000 in revenue and would not in any way lessen the volume of the business.

The outstanding fact in the Postal Service is that in a period when the price of everything else has gone skyrocketing the price of postal facilities has gone down. To-day a citizen of the United States may mail a letter to 41 countries of the world at the rate of 2 cents an ounce. We can send a letter around the globe for 2 cents. We can send a letter to a man in Spain for 2 cents, but when he replies it costs him 10 cents for the first ounce and 5 cents for each additional ounce.

The volume of business and the revenues have doubled in the past 10 years, but there has been no doubling of the number of employees who must do the work. There is no other business in the world which can do what the Postal Service has done—take on new business without a proportional increase in force and facilities. The Parcel Post Service, which now makes up 70 per cent of the volume of the mails, has been assimilated successfully. The postal savings and a score of other services for the American people have been undertaken and accomplished without great difficulty.

All this has been accomplished by human efforts and the spirit of a personnel actuated by a noble desire to serve faithfully and efficiently. These postal employees do not ask for pity or sympathy or charity. They do ask for a square deal from the Government they serve, and I believe this Congress will see that they get it. Many Members of the House have showed their helpful interest, and I am confident that they will continue their efforts until a just and fair postal reclassification law is placed upon the statute books. The bill which I have introduced is intended to meet the need, and its passage will mean a just and permanent settlement of the question.

Mr. HASTINGS. What is the parliamentary status of the gentleman's bill now?

Mr. KELLY. It is before the Committee on the Post Office and Post Roads and arrangements are being made for full and complete hearings upon it. Representatives of the various postal organizations will appear, as well as officials of the Post Office Department. I am sure the committee will also be glad to have expressions from individual Members of Congress who are familiar with the situation and who desire to appear at the hearings.

Mr. Chairman, I have taken this time simply to outline the measure I have introduced and to urge consideration by the membership of this House for a question which demands prompt and effective action. In it is involved the future progress and development and efficiency of the United States Postal Service, the greatest organization in America for the promotion of the welfare of her citizenship.

Mr. Chairman, that there is a nation-wide demand for the passage of this measure is abundantly proven by the emphatic editorial utterances of every leading newspaper and periodical in America. I have more than 500 of these indorsements, representing every State in the Union and every shade of political and economic thought. I shall append but four of these, one each from the East and West and North and South. They are typical of all those which have been published.

In an emphatic editorial discussion of the subject the Providence News says in part:

The callousness of Senators and Representatives is astonishing. They know that the pay of the postal men can not in any way meet the rise in the cost of living. They concede that there ought to be a revision that will take care of the railway postal clerks and all others, but they do nothing. The employees, especially those who are married or have dependents, feel the pinch of this economic problem every day of their lives and they also recognize keenly the injustice of which they are the victims. The people of every State ought to demand that proper compensation be provided, in a special bill if necessary, and in Rhode Island they ought to write to their Members of Congress asking that a direct step be taken to adjust the pay of the employees. Every postponement of action is national dishonor. It means that women and children are deprived of necessaries of life and that the men who do the work in the service have to retrench at every point to keep out of debt. The adjustment salary bill for the employees ought to precede any action on the bonus and, in fact, lead all legislation at the National Capital.

The Seattle (Wash.) Union Record takes the view that the postal employees are in a worse position to-day than they were 11 years ago, stating that—

Your mailman is asking your assistance in getting a real living wage. Since 1912 his wages have been increased only 50 per cent, while the cost of living has risen nearly 100 per cent, leaving the mailman relatively worse off than 11 years ago, when his conditions were by no means ideal. It may be that, in order to grant an increase to the mail service workers, it will be necessary to increase postage. It may be that economies may be worked out in other matters that will permit postage rates to remain as at present. In either case it is neither fair nor honest to expect the mailman to bear the burden of rising costs in this most essential branch of our social life. The request for increased wages should meet with the earnest support of all classes of citizens, and Congress must be made to realize that a great public sentiment stands behind any action it may take looking toward an upward adjustment of postal wages. Write your Congressman and Senators to-day and let them know your sentiments.

In its leading editorial of December 6, 1923, the old and influential Detroit Free Press says:

The country expects prompt, efficient, accurate, and honest service from its post-office clerks and carriers, and generally it gets what it demands. But in return for their faithful and intelligent work the postal employees as a whole receive salaries so meager that they would scarcely attract an unskilled laborer, and are distinctly below what is considered a fair living wage. In cities such as Detroit, where costs are high, the post-office worker who attempts to support a family on his stipend is close to want most of the time.

Such a situation as this can not continue. Either Congress must come to the rescue with substantial pay increase or the service is going to suffer serious deterioration. Indeed, it is little short of a marvel that the morale in the Post Office Department has been maintained up to this time as well as it has. The one possible explanation of the success of the department heads in preventing demoralization is the fact that the postal employees for the most part are Americans with high ideals regarding service and faithfulness. They stay on out of pride and from a sense of patriotic duty.

The Durham (N. C.) Herald states the case concisely by saying in part:

The Post Office Department is essentially a public service institution. Its main purpose is to render service, and the public is willing to pay for that service. It was not intended as a money maker. Of course, it is essential that economy be used, but only as a preventive of waste and never at the expense of the service. Most any administration of recent years will point with pride to its Post Office Department and say, "Look what we have done!" But there is another side to it. Whatever has been done in the way of economy has been at the expense of the welfare of the postal employees.

In view of the high type of men required to handle the mails and the work that goes with that job and the constant study that they must keep up if they hold their jobs, their request as embodied in the Kelly bill is indeed reasonable and should be granted by Congress without further delay.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. McSWEENEY].

Mr. McSWEENEY. Mr. Chairman and gentlemen of the committee of the Whole House, I presume to come here to-day on behalf of the farmers of Ohio, and in fact farmers of the whole country. I represent the district which was formerly represented by that distinguished son of Ohio, William McKinley, to whose memory we paid respect this year on his birthday. I represent a community of farmers suffering from the great calamity which has fallen upon agriculture. There are between 35 and 45 untenanted farms in my county. I realize that there are other counties in other States in the country where there are farms that are untenanted. They have splendid buildings and all the facilities for diversified farming, with a splendid water supply and everything necessary. But we find in one county 35 to 45 untenanted farms. I speak in behalf of those men and ask at this time that the public furnish no more money for further irrigation to lands which would compete with the farmers already in the business.

I wish to be regarded as absolutely and wholly in favor of irrigation and reclamation, but I feel it is unfair to put unnecessary competition in the way of men who have given a great portion of their lives and devoted a great deal of money to the farming industry and who are already in the field.

Mr. SIMMONS. Will the gentleman yield?

Mr. McSWEENEY. I will.

Mr. SIMMONS. I represent a district which has a reclamation project completed and one in the process of completion. I want the gentleman to understand that we are not in competition with the farms of the East. We are supplementing. We use the products of your farm, we buy your grain, we take the things from your farm and run them through the product that we have and put them on the market. We purchase the products of the rain belt farmers, and in the main are not in competition with them at all. We raise alfalfa.

Mr. McSWEENEY. I will say that I am not opposed to the Boulder project and I know that some are not in competition with farmers of the Middle West. I ask the Government at this time that it not appropriate money for this great work. In regard to this district in Ohio they are in the midst of the transportation facilities of the country and close to the markets. Most of these proposed great projects are far away from transportation and we find that this is one of the greatest difficulties the farmer has to meet to-day.

I remember, too, back in the days of the war, when that great, kindly Commander in Chief, under whom, thank God, I had the privilege of serving and of whom we hear the sad news that probably to-day he will look for the last time upon this firmament, ex-President Wilson. I remember when he asked that the farmers of America leave their diversification and center their efforts upon crops that would be beneficial to a successful conclusion of our great war. [Applause.] I realize that those men were just as much in the Army as were the men on the field of battle. In the words of Kipling—

They belong to a legion not listed,
They bear no banner or crest,
And, broke in a thousand detachments,
They were making the way for the rest.

They made a way for the rest, and when they turned down their meadow lands and grew wheat, when they did everything to facilitate the work of our President in bringing the war to a successful conclusion, they suffered much, and now in this good year we should realize their handicap and do everything possible to bring them health, prosperity, and the things that will bring them happiness.

Let me quote the words of the great Goldsmith, which, it seems to me, have a peculiar application here:

Ill fares the land, to hastening ills a prey,
Where wealth accumulates and men decay.
Princes and lords may flourish or may fade—
A breath can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroy'd, can never be supplied.

The word "peasantry" does not apply to those splendid, independent, farseeing, deep-thinking men of our country, but that is the word the poet uses. To-day we would call them gentlemen, we would call them farmers, we would call them husbandmen. Nevertheless, the same sentiment prevails, and when a country neglects those men and allows them not to have the decent life they have earned for themselves, that country is approaching some catastrophe. I again say that I am whole-heartedly in favor of irrigation and reclamation, but I ask that the expenditures for this year be postponed, and that all of the effort be thrown forth to help those men who at this time are, some of them, at an advanced age in life, so that they will not have to give up the occupation of their lifetime and

pursue something else. Although I am wholeheartedly in favor of tax reduction, let me make use of the old adage, in paraphrase—millions for defense of those men who have given their lives and energy, but not one cent to go toward the development of an industry which will come into competition with those men who are struggling through this crisis. I ask you to consider at this time whether or not it would not be better to help those men than to further competition against them.

Gentlemen from the Western States will doubtless say that it will be cheaper this year to build those great dams and all other necessary things in connection with the projects than at some other time, but I answer that these farmers could better contribute the taxes necessary for that work, were it to cost twice as much, in the future than they can at the present time. Outside of that we have the speculation, that is always present, that the construction cost may go down rather than up, but let us go upon the assumption that it will go up, as conditions now point. These same men who are now struggling to meet taxes will be better able in a few years to meet the extra cost than they are now.

I am grateful for the courtesy which has been extended to me to-day, and I only ask the House to realize that one of the greatest groups of men in America is to-day in jeopardy, and as a member of the Committee on Agriculture I shall hope fervently that some relief may be given to them, so that general prosperity may come to that great group of American citizens. [Applause.]

[By unanimous consent, Mr. McSWEENEY was granted leave to extend his remarks in the RECORD.]

Mr. KELLY. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MADDEN. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. FOSTER].

Mr. FOSTER. Mr. Chairman, the Teapot Dome investigation has served as a field day for our Democratic friends. I yield to no Democrat in my desire for a speedy investigation, for a prompt conviction of the guilty, and for restitution to the United States of all the Government may have lost.

I join in the belief that fraud is not partisan; dishonesty must be condemned in office as well as out of office. I condemn the course of Secretary Fall; and at the same time I am wondering if we have forgotten the circumstances under which a member of a former Cabinet resigned, with the announced purpose of his intention to build up his private fortune. Secretary McAdoo immediately upon his resignation organized a law firm which included a prominent attorney for the Shipping Board as one of its members. This former Cabinet member and this attorney for the Shipping Board—who had intimate knowledge of the innumerable shipbuilding contracts—at once became attorneys for several very prominent shipbuilders, some of whom were subsequently indicted and whose innocence has not yet been quite established to the entire satisfaction of the American people.

I was a member of the Walsh committee which investigated the squandering of so much of the more than $3,000,000,000 spent in our shipbuilding program. I recall the testimony before that committee of a certain Government auditor, who stated under oath one Thursday noon that a certain shipbuilding corporation was overdrawn one-fourth of a million dollars. That company was placed in the hands of a receiver. Within 48 hours the board, which was appointed by that administration to which Mr. McAdoo belonged, voted a million dollar credit to this corporation and lifted it out of its receivership. That was a Morse company. This same law firm were attorneys for that corporation at that time. I doubt whether a single member of that investigating committee, be he Republican or Democrat, thought the Government auditor was testifying falsely as to the insolvency of that corporation, which was represented by the law firm of McAdoo, Cotton & Franklin. I understand, since coming on the floor of the House, that Mr. Doheny has to-day testified that he paid this same former Cabinet member a $250,000 fee.

Mr. BLANTON. Before or after?

Mr. FOSTER. "Before or after taking"? [Laughter.]

Mr. BLANTON. I asked before or after he resigned.

Mr. FOSTER. As an academic proposition, I am not quite able to yet conceive why any man should be honest in office and dishonest out of office, or even the reverse. Honesty is a common virtue, which should stand the test at any time.

Mr. BLANTON. I agree with the gentleman, but was the money paid to Mr. McAdoo when he was a Government official or paid to him as payment for his legal services after he became a private citizen?

Mr. FOSTER. If the gentleman from Texas can conceive of his candidate for the Democratic nomination——

Mr. BLANTON. He is not my candidate.

Mr. FOSTER. May I ask the gentleman not to interrupt me while I am answering his question? This gentleman resigned as Secretary of the Treasury in a manner not unlike another man named Fall did, and his purpose then assigned was not unlike the purpose assigned by Mr. Fall, to wit, to build up his private fortune. Can the gentleman conceive that the capacity of the now Democratic candidate for President was at that time such that as soon as he resigned from the Cabinet he was at once worth $250,000 to Mr. Doheny and his oil interests? As soon as Mr. McAdoo resigned he stepped over into the Shipping Board and took Mr. Cotton, its chief counsel—who doubtless knew the inside of those shipbuilding contracts more than any other attorney—and organized a new law firm, and immediately proceeded to act as attorney for a large number of shipbuilders who had large claims against the Government. I think every member on the Walsh investigating committee—and there is one of the Democratic members here to-day—believes that some of these builders helped filch the Government out of hundreds of thousands of dollars. If upon his retirement Mr. McAdoo had the legal capacity to draw a $250,000 fee at once, I doubt whether you would desire to put him in the presidency, but rather to retain him in the position of chief attorney for the Democratic Party, and God knows it needs one at this time.

Mr. BLANTON. I think, speaking from the standpoint of one Democrat, I can assure the gentleman that the $250,000 that Mr. McAdoo received, if he did receive that, even though it was a lawful fee, puts him out of the running as a Democrat. [Applause.]

Mr. RANKIN. Will the gentleman yield?

Mr. FOSTER. In just a minute. Before the gentleman from Texas takes his seat, will he assure me as to his attitude——

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOSTER. May I ask for five additional minutes?

Mr. MADDEN. I will give the gentleman two minutes; I regret that I can not yield further.

Mr. FOSTER. I was going to ask the gentleman of his thoughts regarding Mr. Creel, the Wilson publicity man. Mr. Doheny also involved Mr. Creel in his testimony to-day.

Mr. BLANTON. The gentleman from Texas has had an adverse opinion of Mr. Creel all the time—during the war and since.

Mr. STEVENSON. Will the gentleman yield?

Mr. FOSTER. I must decline to yield for lack of time. I will now pass to another point.

A number of you Democrats have been rather freely assaulting the Attorney General. The fact that he has gone South with an invalid wife, the fact that other members of his family are gravely ill, seem only to whet your desire to further embarrass and burden the head of one of our great departments. If this is an indication of courage, I want none of it. I have known Mr. Daugherty for many years. The State of Ohio knows he is a good lawyer. Another thing, he never struck in the dark. It occurs to me that the chief offense Mr. Daugherty has committed, as viewed by our Democratic friends, is that he was a close political adviser of a candidate for President who was elected by the unprecedented majority of 7,000,000 votes.

Mr. RANKIN. Will the gentleman yield right there?

Mr. FOSTER. I would be glad to yield if I could get more time.

Democrat after Democrat has seen fit to call attention to the work of the "war frauds section" of the Department of Justice. Not one Democrat has cared to mention that the expenditure of the special appropriation for this purpose has been in charge of an "advisory council on war transactions," composed of three able attorneys. Have they forgotten that former Senator Thomas, of Colorado, a Democrat, was chairman of this advisory council; are they aware that former Governor Hardwick, of Georgia, a Democrat, is now one of the three members of that council; have they attempted to advise the House that there are 28 special assistants to the Attorney General in this division, embracing eminent Democratic attorneys; have they sought to tell you that during the only 18 months this section has been in operation 117 civil actions, involving $62,342,741.23, have been instituted and are now pending in court; that 19 actions, involving $2,543,418.43, are pending with receivers and trustees in bankruptcy; that 129 individuals have been indicted on these war frauds, which are now pending on motions and demurrers and other dilatory pleadings; that on the 1st of December, 1923, this war fraud division had recovered and turned into the Treasury $4,218,242.88; that since the 1st of last Decem-

ber there have been additional recoveries and settlements amounting to $4,850,000, which sums will be shortly turned into the Treasury, making a total of cash paid into the United States Treasury through efforts of this war fraud section during the 18 months it has been in operation of $8,568,242.88?

I presume that some of these brave and courageous assailants, not unmindful of the 7,000,000 majority, will continue these stabs in the back of the Attorney General at a time when he is not under investigation. May I assure them of one thing, that the present Attorney General never deserted his post when under attack? His enemies know that he fights fairly. No one who knows Attorney General Daugherty will say that he is a quitter. As one Ohioan, I wish for him and the other three members of his family improved health. With this established, the Attorney General will take care of all such assaults. I can well understand why a Democrat would want to get rid of Attorney General Daugherty. What I do question is their style of warfare. The American people have always demanded fair play. Is that to be denied to the Attorney General of the United States?

Mr. STEVENSON. Will the gentleman yield?

Mr. FOSTER. I am pleased to yield, because the gentleman from South Carolina always honors me by his questions.

Mr. STEVENSON. The gentleman, I suppose, in speaking of Mr. McAdoo's employment as an attorney by Mr. Doheny certainly does not undertake to say there is no difference between employing an attorney and paying him even a big price and buying a United States officer who is in a governmental position and sells out at $100,000?

Mr. FOSTER. There is a difference. However, the gentleman is not asking me a question. May I ask the gentleman one? I now ask the gentleman, assuming that Mr. McAdoo did receive $250,000 from Mr. Doheny and assuming that Mr. Fall was given the $100,000, and I believe he was, does the gentleman now say he is in favor of Mr. McAdoo, having that $250,000 from Doheny, being elected President of the United States?

Mr. STEVENSON. I have not made any such statement.

Mr. FOSTER. I am now asking, Does the gentleman?

Mr. STEVENSON. I am asking the gentleman.

Mr. FOSTER. The gentleman will please answer my question.

Mr. STEVENSON. Am I in favor of what?

Mr. FOSTER. Is the gentleman in favor of the nomination and election of Mr. McAdoo, the $250,000 attorney of Doheny, whom you say and I believe placed $100,000 in the hands of Fall? Are you in favor of McAdoo?

Mr. STEVENSON. Wait a minute, I will answer. I would prefer doing that to electing anybody connected with Mr. Fall and who is now upholding him.

Mr. FOSTER. So would I. Come down to the question under consideration. Is or is not the gentleman in favor of Mr. McAdoo's nomination and election——

Mr. STEVENSON. I have not said——

Mr. FOSTER. In other words, the gentleman refuses to answer the question?

Mr. BLANTON. Is the gentleman from Ohio in favor of Mr. Coolidge employing Mr. Gregory, who seems to be on Mr. Doheny's pay roll to the tune of $2,000, to prosecute these oil grafters?

Mr. FOSTER. I am not; but the gentleman's colleague from South Carolina will not answer me.

Mr. BLANTON. Is the gentleman——

Mr. FOSTER. When it is rumored that the President of the United States consults a Democratic member of the Supreme Court of the United States, and who recommends to him another Democrat from your State—a former Attorney General—and it then develops that such former Attorney General was an attorney for the Doheny interests, then President Coolidge should not appoint former Attorney General Gregory.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. The Democrats would have picked some attorney wholly disconnected with oil leases.

Mr. LONGWORTH. I have just read a statement from the White House that the President is not going to appoint him. [Applause.]

Mr. BLANTON. He has just now changed his mind then.

Mr. FOSTER. Wise men do that. I want to again ask my friend from South Carolina, is he or is he not for Mr. McAdoo? [Laughter.]

Mr. STEVENSON. I am for McAdoo against anybody you can put up. McAdoo did not sell, your man did, and the balance of you are standing up for him.

Mr. FOSTER. I do not stand up for Mr. Fall or any other corrupt man—be he in the Cabinet or out—be he in the employ of Mr. Doheny or not. Neither does the Republican Party. I shall welcome the truth, whether it strikes Mr. Fall or Mr. McAdoo. The country is not ready to place in the Presidency the $250,000 attorney of a Democratic oil baron.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. I do not claim to be an expert on the tariff. Mine, rather, is the rôle of the interested observer. And certainly, in these days, there is much to be observed.

When I was just a lad I once went into a mirror maze at a carnival. There were mirrors all around me and above me. It was easy to get in, but difficult to get out. There were so many reflections that I saw myself in many places and positions at the same time. It was really quite bewildering.

Now, this present protective tariff system appears to be a kind of mirror maze. The enthusiasts who have wandered inside of it seem to behold themselves in many different attitudes and from many different angles. It must be most bewildering to those in the very maze itself. It sometimes makes me dizzy just to look in from the outside.

I had a little evidence of this internal bewilderment of the protectionists a few months ago. I want to bring it to your attention, merely in my capacity of observer. The same delivery of mail brought to my desk a tariff journal and a newspaper. In the tariff journal appeared an article with the following box-car heading:

> President of Western Tariff Association proves tariff does not affect consumers.

I suppose the box-car heading was appropriate, because such a sentiment as it expressed is likely to travel to the buyers of the Nation by slow freight. Of course, to me, as one who loves his fellowmen, this title gave pleasing information. It was comforting to hear that the consumer had attained such a sanctified state that the sin of the Fordney Act could not reach him. And coming from such a dignitary within the maze, this encouraging view naturally brought some interesting reflections also to observers without the maze.

The explanatory subhead made this additional announcement:

> Frank J. Hagenbarth answers free trade newspapers' argument that tariff act responsible for high price of commodities.

The article began with a prefatory paragraph about wool. After this preliminary woolgathering, this pulling of wool over the eyes of the reader, came the following optimistic declaration:

> It is a singular statement, but nevertheless a fact, that the tariff seems to have but little to do with retail prices.

What a world of solace such an assertion must bring to the absent-minded citizen. [Laughter.] Somehow or other I had always supposed that the protection afforded by the tariff was financial. I had thought it accorded some benefit in money. But if it be true, as stated by Mr. Hagenbarth, that by reason of high tariff rates the consumer pays no more for the things he buys than he paid before, then this assumption seems altogether unreasonable. Under such circumstances as he recites, there is no more money available from the consumer's purchases to be divided among those who may be found willing to receive it. The protection, after all, then, must not be monetary. It must be just a kind of mental serenity or numbness. At least, that is the impression this particular protectionist author seems to give from the midst of the mirror maze.

Trustfully confiding in his statement, I naturally draw the inference that there is a very widespread satisfaction, and even elation, out in the West at the prices consumers are having to pay for things in general under the present tariff law. The president of the Western Tariff Association, to be sure, does not cite or quote laudatory resolutions to this effect passed by popular mass meetings of Western consumers, expressing their appreciation of protective tariff prices and tendering their thanks to the Congress for stimulating by these prohibitive rates the purchasing power of the citizen's dollar. But it seems nevertheless a fair assumption from his remarks that such meetings surely must have been held. I can not believe that the people of the West are unappreciative.

Oh, it is true I have seen certain impertinent paragraphs in Republican newspapers that indicate a degree of gratitude somewhat below this general and normal gratification. For instance, the Chicago Tribune, emerging from the maze, declared:

> The wool schedule will be found in the price tags on American clothing.

And other party organs and leaders in the East and elsewhere have also manifested a similarly unbecoming lack of respect for the views of Mr. Hagenbarth. I take it for granted, however, that, generally speaking, this same peculiar lowness of

cost that prevails in the West is being noticed by the entire country in almost every article of daily use and consumption. True, it is a little perplexing to me as an innocent bystander that so many Republican papers and periodicals, disregarding Mr. Hagenbarth's utterances from the very heart of the maze, have the hardihood to denounce a tariff act which he says does not make anything cost anybody any more. What on earth can have given rise to a disloyalty within the party ranks which expresses itself in sharp criticism of a measure which, according to Mr. Hagenbarth, has catered so considerately to the absolute contentment of the purchasing public?

Mr. SNYDER. Mr. Chairman, will the gentleman yield there?

Mr. LANHAM. I regret that I can not yield. I do not wish to appear discourteous, but I barely have time to discuss the idea I desire to develop. Under the circumstances, therefore, I shall appreciate it if the gentleman will kindly show his approval by applauding. [Laughter.]

And even for my own part, to be entirely candid, I must confess it is a trifle difficult for me to understand, in the light of these revelations by Mr. Hagenbarth, just why the Republicans have been put out of power with such consistent regularity after passing their various high tariff acts in what he describes as a successful effort to keep the consumer's dollar at par. I suppose it just results from the fact that people are naturally so ungrateful for benefits bestowed. There is evidently a misunderstanding somewhere.

Who says that prices to the consumer have advanced, anyway? That is, who besides the buying public? Mr. Hagenbarth's declaration justifies me in observing that he who proclaims such a thing is no friend of the Fordney measure, and places his own welfare and that of his fellows above his devotion to the tariff act.

Though the president of the Western Tariff Association evidently feels sure that he is correct in his contention that high tariff rates do not increase prices, still there is one other phase of this matter that to me, as an onlooker outside the maze, is also rather hard to comprehend. The Republicans are always telling the producers—and in this regard Mr. Hagenbarth is true to type—that the protective tariff gives them much more money for their stuff; and we have all noticed how the wheat growers of the Nation have lately risen in mass to applaud this statement. [Applause.] But this is the angle of it that bothers me: If under these prohibitive tariff rates the producer does receive more money for his raw material, as Mr. Hagenbarth says, and yet the consumer pays no more for the finished product, what kind of a joke are the Republicans playing on the manufacturers, anyway? Certainly under such a régime less money is left for their coffers. Is it not a bit strange, then, that the big manufacturer does not realize this fact and rebel against it? And yet, out of the abundance of his proverbial philanthropy, the only spirit of rebellion the big manufacturer has manifested has been a continuance of large contributions to G. O. P. campaign funds for the very purpose of promoting the protective system. Stupid fellows, these big manufacturers. For the peace of mind of the Republican Party it is to be hoped that they do not see this article by Mr. Hagenbarth. It might disillusion them.

After this comforting assurance from Mr. Hagenbarth that prices had not been boosted by the profiteers' tariff, I turned to peruse the newspaper which came in the same mail. I found myself suddenly aroused from the dreamlike tranquillity which this anæsthetic article in the tariff journal had brought upon me, by this very startling announcement in the press, evidently written in an utter lack of appreciation of Mr. Hagenbarth's contention:

UNCLE SAM EVADES TARIFF.

WASHINGTON, September 24.—Cloth for uniforms of United States Marines this year will be made in England. Uncle Sam, hunting for bargains, bought half a million yards of khaki drill from English mills. He got it there at $180,000 less than he would have had to pay American manufacturers. The Government pays no tariff duties on its purchases abroad.

Now, surely a statement like that was enough to puzzle any fair-minded observer who had been lending an ear to the mellifluous voice of the president of the Western Tariff Association. It appeared to be a bold effrontery to Mr. Hagenbarth's position. After his cheering announcement, the very idea seemed preposterous that Uncle Sam, the biggest consumer of all, had willfully saved $180,000 by his deliberate failure to take advantage of the local purchasing benefits which the Fordney Tariff Act held out. [Laughter and applause.] Perhaps "held up" would be a more accurate expression than "held out." I had just been reminded by Mr. Hagenbarth that the prevailing price range in America was extremely satisfactory, despite the attributing of the consumer's costs to the tariff by the downtown peddler and the uptown clerk. Could it be true, then, that Uncle Sam had presumptuously wandered abroad to buy, and that he had thus saved this significant sum of $180,000? The shock of the newspaper article did sufficiently restore my consciousness to lead me to inquire of the quartermaster of the United States Marine Corps about this matter. He very kindly and clearly gave me a statement of the facts in the case, and I am indebted to him for his courtesy. The letter from him is as follows:

HEADQUARTERS UNITED STATES MARINE CORPS,
Washington, December 29, 1923.

Hon. FRITZ G. LANHAM,
House of Representatives, Washington, D. C.

MY DEAR MR. LANHAM: Replying to your letter of the 26th instant relative to the purchase from English mills of khaki suiting for the manufacture of marine uniforms, it may be stated for your information that on April 9 of this year the Marine Corps opened proposals for 400,000 yards of fiber-dyed khaki suiting, and that only one bid based on specifications was received. This bid of $0.642 per yard received from an American manufacturer was considered excessive and was therefore rejected. The company submitting this bid stated that they had not been able to match the shade exactly, but would continue experiments and match the standard sample as closely as possible, but this was not the reason for the rejection of their bid since, as stated above, the price quoted was entirely too high compared with previous purchases. Copies of the proposals and specifications covering this intended purchase were forwarded to 55 manufacturers and dealers, and every effort was made to interest American manufacturers in the production of this goods, special letters being sent by the depot quartermaster, Philadelphia, to every concern in the country known to have fiber-dyeing apparatus.

After the failure of the Marine Corps to receive any satisfactory bids under the opening of April 9, and in view of the fact that the stock on hand was very low and required replenishment without delay, it was decided to ascertain whether satisfactory prices could be obtained from English manufacturers on English piece-dyed khaki suiting which had been previously used by the Marine Corps and found to be very satisfactory, both as to quality and fastness of dye. As the result of inquiries made it was found that English piece-dyed khaki differing very slightly from the Marine Corps specifications and entirely satisfactory for Marine Corps use, as proved by experience in the use thereof, could be obtained c. i. f. New York for approximately $0.27 per yard as compared with the price of $0.642 per yard quoted by the only American manufacturer bidding on the April 9 opening. With the approval of the Navy Department steps were therefore taken to place contract with an English firm, Spinner & Co., Manchester, England, for 500,000 yards of this material, and deliveries under the contract have been completed with entirely satisfactory material.

The Marine Corps does not consider that a saving of $180,000 has been made in connection with this transaction, although the figures above quoted might indicate such a result, since the Marine Corps never contemplated paying any such price as $0.642 per yard for khaki suiting. In addition the price paid for the English material did not include customs duty which would have been included if a statement of the actual saving to the Government was being prepared.

This office will be glad to give you any further information that it may have in connection with this matter should it be desired.

Sincerely yours,

C. L. MCCAWLEY,
Brigadier General, The Quartermaster.

You will observe from this letter that proposals and specifications were sent to 55 American manufacturers and dealers and that only one of them filed a bid. In other words, every manufacturer except one seemed to be too much ashamed of his price to "tell it to the marines." [Laughter and applause.] Mr. Hagenbarth says his assertion that protective tariff rates do not boost prices is a "singular statement." The casual observer is likely to wonder if there is anything singular in the fact that the plural number of 54 of these American concerns backed off and left this singular representative to face the music of this "marine band." And, in deference to Mr. Hagenbarth, perhaps a warning should be given here lest the reasoning observer infer from this general failure to bid either one or both of two things: First, that the American manufacturers can make so much more money selling to the people than they can selling to the tariff-free Government that they have no commercial interest in Uncle Sam's purchases; or, second, that the tariff act, ostensibly designed to build up American manufacture in these lines of foreign trade, is failing in its function. Surely no considerate person will seek wantonly to throw Mr. Hagenbarth upon the sharp horns of such a dilemma.

It is stated in this letter that the Marine Corps did not consider that a saving of $180,000 had been made. And why? The quartermaster gives the reason very clearly: Because the authorities never had any intention in the first place of paying American manufacturers the outrageous prices they were asking. But is not the quartermaster a bit too modest in thus disclaiming the plaudits due an economist? Let us see. Was a saving of $180,000 actually made? That is a pertinent inquiry, because the American people are greatly interested in economy. And certainly the Marine Corps can not well do otherwise than welcome such a complimentary charge of governmental saving. The American bid was a little over 64 cents per yard, the English bid was 27 cents per yard, and 500,000 yards were bought. Now, to one whose mathematics is limited to arithmetic, this problem certainly does indicate a saving of $180,000; for, of course, the Government did not pay the tariff. A saving of that amount, after all, is the practical effect. The private citizen, to be sure, has no such option in his purchases. He must meekly accept the solitary American bid.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNS of Tennessee. I yield the gentleman five additional minutes.

The CHAIRMAN. The gentleman from Texas is recognized for five additional minutes.

Mr. LANHAM. But against such imputations I hasten to the defense of Mr. Hagenbarth. There has been led into the mirror maze with him a witness by whom he can establish his contention. Lingering hopefully near Mr. Hagenbarth I spy his neighbor, the western wheat farmer. And he turns to this western wheat farmer and says to him, "I contend that these high tariff rates are not adding to the consumer's costs. What about it?" And beyond the peradventure of a doubt he proves his assertion—from one angle, at least—by this wheat-growing neighbor of the West, for the farmer promptly and emphatically replies, "You are absolutely right, Mr. President; the tariff is certainly not making the people pay any more for my stuff; if anything, less. If you are talking about what I raise and the things I have to sell, take it from me, Mr. Hagenbarth, no man can successfully dispute you."

I can not controvert that proof. Before any fair-minded judge it calls for a peremptory instruction in favor of Mr. Hagenbarth's contention. He is entitled to his judgment on this testimony of his wheat-growing neighbor.

Alas, my friends, the lot of the observer is a hard one. These gymnastic high-tariff leaders do not seem to have much consideration for him. They play blindman's buff with him. Just when he thinks he has them located, they shift their places in the maze and change their positions entirely.

But, as I depart, I note another change of position not so acceptable to Mr. Hagenbarth. The farmer is beginning to observe a little for himself. He is realizing that in the maze he has been "seeing things." This western wheat grower is taking a forward step, and in the tangled maze there is coming to him a more serious reflection. And in the light of this reflection that is more deliberate, I see him turn to the tariff leader near him and hear him continue the conversation.

And this time he is saying: "If you are talking about the few things I have to sell, Mr. Hagenbarth, I repeat that I agree with you most heartily. You are right about that, and anybody will tell you so. The people are not paying more for my stuff. But if, on the contrary, you are speaking of the many things I have to buy, well, of course, that's a very different matter. That's where the road forks and we part company. When I begin to lay in supplies these days for myself and my family, a bushel of wheat goes a mighty short way. If you don't believe it, just ask some of these farmers—some of these that live right out here in the West with us. No, Mr. Hagenbarth, it's not the man who buys my products who will dispute your statement; on the contrary, it's the farmer who with the proceeds of his products tries to buy the goods of the other fellow."

And so the western wheat farmer is coming out of the mirror maze. In the midst of its confusion and contradiction he has wandered and wondered, and he has paid dearly for the experience. After proper reflection he has found that in every protection mirror he has seen himself in an unfavorable light. It will be a difficult matter to get him into the maze again. He will prefer a place in the open where he may see things as they are. But with reference to the statement that high tariff rates are not increasing the prices that are being paid for his products, he will still stoutly and steadfastly maintain that Mr. Hagenbarth is undeniably right. [Applause.]

Mr. MADDEN. Mr. Chairman, I yield 30 minutes to the gentleman from Maryland [Mr. HILL].

The CHAIRMAN. The gentleman from Maryland is recognized for 30 minutes.

Mr. HILL of Maryland. Mr. Chairman, will the Chair warn me at the end of 25 minutes?

Mr. Chairman and gentlemen of the House, on the 14th of December, 1918, President Wilson entered Paris. The eyes of the whole world were on him that day, and to-day the thoughts of all of America and the sympathy of all of America are with President Wilson in his illness. On the 14th of December, 1918, I stood on the Bridge de la Concorde, Paris, with a line of French troops on one side and another line of French troops on the other, and I saluted the President of the United States as he came into Paris and swept by from the left bank of the Seine into the great concourse of the Place de la Concorde, where the French people waited to meet him. As I stood there and saluted Mr. Wilson I was not a Republican. I was not a Democrat. I was an ordinary American citizen without politics. [Applause.]

And, to-day, I want to speak to you about a matter, and I speak to you to-day not on the subject of prohibition, not on the subject of the Volstead Act. I can not fail to remember that when Mr. Wilson vetoed such a measure as the Volstead Act it is hardly necessary to go much further in talking about it. I come here to-day not to talk to you as a "wet" or a "dry" but to talk to you on the question of ordinary decency in the enforcement of the laws of the United States. [Applause.] I feel confident that such distinguished prohibitionists as the gentleman from Texas [Mr. BLANTON] and the gentleman from Michigan [Mr. CRAMTON] can not fail to agree with the point of view that I here present to you this afternoon. I am not here to talk prohibition. I am here to talk simply the question of the maintenance of respect for the Federal laws of the United States before the American people.

A few weeks ago, gentlemen of the House, the Governor of Pennsylvania came to Washington and made an address. He said, in reference to the present enforcement of the Volstead Act and the present conduct of the office of the Federal prohibition commissioner in Washington, "I know of no scandal in our national history to compare with it. A scandal of half of these proportions in any other branch of the Government's work would lead at once to a congressional investigation. I demand one," said he. Whereupon I introduced House Resolution 153, providing for the appointment by the Speaker of a committee to investigate, fairly and impartially, and to report forthwith the things that the Governor of Pennsylvania had denominated as a national scandal. I then wrote to the Governor of Pennsylvania a letter, which I will put in the RECORD at this point, asking him to appear before the Rules Committee of the House, and asking him to give the testimony to the Rules Committee of this House on which he had demanded an investigation. I said in this letter that if he did not offer the evidence he possessed, which must be weighty, the Rules Committee of this House would decline to investigate the matter.

Mr. BLANTON. Will the gentleman yield?

Mr. HILL of Maryland. Not just at this moment. I will yield a little later. In reply, I received a letter from Governor Pinchot, which I will read. Here is the letter I wrote him:

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 26, 1924.

His Excellency Gov. GIFFORD PINCHOT,
State House, Harrisburg, Pa.

MY DEAR GOVERNOR PINCHOT: On January 16, before the convention of the Anti-Saloon League in Washington, you demanded a congressional investigation of the lack of enforcement of the national prohibition act. I immediately the next day introduced in the House of Representatives the following resolution:

Resolution.

"Whereas on May 15, 1922, and again on August 22, 1922, Representative HILL of Maryland requested from the Secretary of the Treasury the removal of the Federal Prohibition Commissioner because of nonfeasance and malfeasance in office; and

"Whereas on the 16th day of January, 1924, in the city of Washington, before the convention of the Anti-Saloon League, Governor Pinchot, of Pennsylvania, charged that the enforcement of the national prohibition act under the said Federal Prohibition Commissioner was an entire failure, using the following words, to wit:

"'I know of no scandal in our national history to compare with it. A scandal of half these proportions in any other branch of the Government's work would lead at once to a congressional investigation. I demand one.'

"*Resolved*, That a committee consisting of five Representatives of the Sixty-eighth Congress, to be appointed by the Speaker of the House, is authorized and directed to investigate the office of the Federal

Prohibition Commissioner in the Bureau of Internal Revenue of the Treasury Department, and the whole matter of the failure of enforcement of the national prohibition act by the Federal Government and all other matters and conditions in the premises set forth and to report their findings, together with recommendations for the improvement of such conditions forthwith to this session of Congress. Such committee is authorized to send for persons and papers, to administer oaths to witnesses, and to incur necessary expenses for clerical and other services not exceeding $20,000, which shall be paid out of the contingent fund of the House."

This resolution has been referred to the Committee on Rules. I desire to ask an immediate hearing upon this resolution with a view to its favorable report and prompt passage by the House of Representatives, since I favor the most thorough examination into the office of the Federal Prohibition Commissioner entirely irrespective of what persons, parties, or interests are affected by any disclosures of incompetency or maladministration which may be disclosed.

I am prepared to offer testimony in reference to certain phases of nonfeasance and malfeasance on the part of the Federal Prohibition Commissioner. I know that you must have weighty evidence as a justification for your demand for a congressional investigation. If you will advise me when it will be convenient for you to appear before the Committee on Rules of the House of Representatives to give this testimony, I will be glad at once to ask the Committee on Rules to set a date to hear you and me in favor of the above resolution for the investigation which you and I have both demanded.

Very respectfully yours,

JOHN PHILIP HILL,
Member of Congress.

Here is Governor Pinchot's reply:

Hon. JOHN PHILIP HILL,
House of Representatives, Washington, D. C.

MY DEAR MR. HILL: I beg to acknowledge receipt of your letter of January 26, in which you are good enough to suggest that you will arrange a hearing for me before the Committee on Rules of the House of Representatives in the matter of the proposed investigation of Federal prohibition enforcement.

Since you and I approach this matter from diametrically opposite points of view, it would not, in my opinion, be proper for me to accept your suggestion, for which I thank you, but which I must decline.

Sincerely yours,

GIFFORD PINCHOT.

Can you imagine the political hypocrisy of any public official who demands investigation, who brands the official organ of the Federal Government as a national scandal, and then sidesteps presenting the case before a committee because he says he approaches the subject "from a different point of view" than mine?

I say, gentlemen of this House, that if you take the lid off of the Federal prohibition commissioner's office you will have a worse stench than has come out of Teapot Dome. I do not wonder that the legislative agent and the treasurer of the Anti-Saloon League, Wayne B. Wheeler, is against the investigation.

Mr. ABERNETHY. What politics are they?

Mr. HILL of Maryland. I think the same politics as the type of people who are complicated in Teapot Dome—no politics at all.

Now, I invite the attention of the House to page 459 of the hearings.

Mr. BLANTON. Before the gentleman leaves that point, will he yield to me?

Mr. HILL of Maryland. I will come back to that in a few moments. In the year 1923 there were criminal cases made by the prohibition unit of 49,021, as against 29,000 in 1920. The appropriation for the Federal prohibition unit is contained in the bill now pending on pages 20 and 21, and I am going to read you the portion which refers to the Federal prohibition unit:

For expenses to enforce the Volstead Act and the narcotic drugs import and export act, etc., including the employment of executive officers, agents, inspectors, chemists, assistant chemists, supervisors, clerks, and messengers in the field and in the Bureau of Internal Revenue in the District of Columbia, to be appointed as authorized by law; the securing of evidence of violations of the acts, and for the purchase of such supplies, equipment, mechanical devices, laboratory supplies, books, and such other expenditures as may be necessary in the District of Columbia and the several field offices, and for rental of necessary quarters, $10,629,770.

The appropriation last year was $9,000,000. There is an increase of over a million and a half dollars for this year. Now, gentlemen, what was done with some of that money that was appropriated by you for the enforcement of the laws which were on the statute books this year? If I have time I will take up the publicity bureau of the prohibition bureau, and if I have further time I shall take up the fact that the 43 law officers of the Federal prohibition unit, drawing $147,000 a year, can not interpret for a Member of Congress or for a court or for anyone else what "nonintoxicating" in section 29 of the Volstead Act means.

I want to take up the activity of the publicity bureau in which the prohibition commissioner advertises entrance and exit from the various cities daily, beginning "Federal Prohibition Commissioner Haynes remarked this morning," "As Commissioner Haynes said to-night," and so forth. First I want to take up what I consider a most scandalous performance. When I was United States attorney there came before the court a case involving what we call moonshine butter.

Nothing is more unpopular than the 9¾-cent tax on colored oleomargarine as above the one-quarter cent tax on white oleomargarine. It is easy to make moonshine butter and difficult to detect it. A man was brought before the United States court in Maryland for the violation of that act in defrauding the Government. When he came in the evidence showed that the agent had gone to these people and bought butter in the guise of being one of the public. The court said this is an American court and not a Russian court; we do not consider cases like that, and dismissed the case, and any court ought to. [Applause.]

Now, how did they make 49,020 cases; how did they make them? They made that many cases, but they found that 6,000 had to be dropped and 1,770 obtained acquittal. How did they make them? On page 465 of the testimony in the hearings you will find that the total amount expended for "the purchase of evidence"—mark you, "purchase of evidence" to convict American citizens! Gentlemen, what would you say if the Attorney General reported to you that he maintained a large corps of beautiful chorus girls for the purpose of enticing Government officials to go to Baltimore and spend the week end in order to indict those Government officials for a violation of the Mann Act. It is preposterous, and yet that same thing is being done by these people to entice and solicit a violation of the law.

Let us look at the committee hearings. The chairman asked the question:

Can you give us a statement in reference to the amount expended for the purchase of evidence?

Mr. JONES. There was expended for the purchase of evidence in the year 1923, in the enforcement of the narcotic and prohibition laws, $205,658.82.

The CHAIRMAN. In what character of cases?

Mr. JONES. Very largely in making buys. That is about the only way we can take cases into court and win them, to have the prohibition agent actually make a buy from a violator.

Mr. Chairman, when you get a law of the United States which is of a type that the only way you can make cases and take them into the United States court and win them is by purchasing evidence, then you have a serious question of law enforcement on your hands.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. HERSEY. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. I shall be glad to yield to my distinguished friend from Michigan in a few minutes, when I have finished the reading of this testimony. I would like to have his views on it, because I am counting on him to support my Resolution 153 to investigate this office. I continue to read from the testimony of Mr. Jones:

That is about the only way we can take cases into court and win them, to have the prohibition agent actually make a buy from a violator. Whenever he can he gives marked money and gets it back.

I suppose the only way that they could enforce the Mann Act would be to get a Member of Congress actually taken over to Baltimore by a chorus girl. To continue the testimony:

Sometimes he does not get it back. But when he uses marked money and gives it to a violator, he can testify in court that he bought the evidence from a particular individual who had the marked money at the time of arrest.

The CHAIRMAN. How large amounts do you make the purchases in at one time?

Mr. JONES. It depends on the circumstances. If it is the case of a small violator the agent might only buy a pint or a half pint.

The CHAIRMAN. Does the prohibition agent drink the whisky when he buys it?

Mr. JONES. Sometimes he has to in order to make a second buy to use as evidence.

The CHAIRMAN. So the agent is usually not a prohibitionist?

Mr. JONES. Some of them have to drink. In the cases of the large violators, sometimes we have to buy considerable liquor from him. The violator would not sell you a pint or a quart.

In other words, we have to have men in this country stool pigeons to violate the laws they are sworn to enforce in order to attempt to gain convictions! To continue the testimony:

The CHAIRMAN. What is the least amount you can buy from that class of offender?

Mr. JONES. Sometimes we would have to make arrangements to buy, perhaps, a carload. But we do not really part with a great deal of money in purchasing by the carload; it does not ever go that far.

The CHAIRMAN. How does the $205,000 expended in 1923 for evidence compare with the amount expended for the same purpose in 1922?

Mr. JONES. In 1922 we spent approximately $150,000.

Mr. Chairman, that is an increase of 25 per cent in the amount of money that is being expended for seducing American citizens to violate the law. I propose when the proper time comes to offer an amendment to that provision in the act to prevent any of the money that we appropriate being used to violate the Volstead Act or any other law of the United States.

Mr. HERSEY. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. In just a minute. I want now to read a letter, after which I shall be glad to yield to my distinguished friends in the order in which they asked me to yield. Here is a letter that I received from a man writing on the paper of a law firm and signing the name of a Washington lawyer. I do not know him and I shall not mention his name. It would not be proper that I should. He writes:

In the face of many apparent examples of low moral standards in official place, what is to be said of Congress itself if it approves the expenditure of public money for the purpose of buying evidence in cases of alleged violations of the prohibition law? I confess that I was startled to read on yesterday that in the past fiscal year it had been testified before the House Committee on Appropriations that more than $200,000 was alleged to have been used in that way. To what state have we fallen when public officials spend public money in the solicitation of commission of crime with the approval of the Congress of the United States?

I yield now to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, the burden of the gentleman's song is that he is now in favor of strict law enforcement.

Mr. HILL of Maryland. Yes; but I take exception to the use of the word "now."

Mr. BLANTON. He has always been in favor of strict law enforcement?

Mr. HILL of Maryland. I have always been in favor of enforcement of every law, including the fourteenth and fifteenth amendments.

Mr. BLANTON. And there is at least one man in the United States to-day who is strictly enforcing the prohibition law—Gen. Smedley Butler. And he his proven himself a man big enough to be President of the United States. Has the gentleman ever congratulated General Butler or commended him for his untiring efforts and bravery in enforcing the law?

Mr. HILL of Maryland. No; because the gentleman from Maryland believes that when the time comes when it is necessary to put the military officers of the United States into civil positions, then American liberty is gone, and I happen to be a colonel in the reserves.

Mr. BLANTON. The distinguished gentleman from Maryland is not a colonel on this floor?

Mr. HILL of Maryland. I am a colonel now in the Reserve Corps.

Mr. BLANTON. The gentleman is not wearing his uniform here.

Mr. HILL of Maryland. No.

Mr. BLANTON. Neither is General Butler now wearing his in Philadelphia.

Mr. HILL of Maryland. He has all of his pictures taken with his uniform on. [Laughter.]

Mr. BLANTON. And I wish that he had every one of his brave marines at Quantico at his beck and call to help him.

Mr. HILL of Maryland. I do not doubt that, because the gentleman knows that that is the kind of law enforcement he wants—at the point of the bayonet. I yield now to the gentleman from Michigan.

Mr. BLANTON. Oh, just one minute. I will admit that I want the law enforced if it should take every loyal citizen in the United States to do it.

Mr. HILL of Maryland. I hope the gentleman will ask me a question that is pertinent to the issue.

Mr. BLANTON. The gentleman invited the Governor of Pennsylvania to come down here and appear before the Committee on Rules. I imagine that the governor declined because the invitation did not come from our distinguished friend, Mr. SNELL, who is the chairman of that committee. Probably the governor took it for granted that it should be more official than the unofficial invitation that was sent to him by the gentleman from Maryland.

Mr. HILL of Maryland. I did not invite him. I said that if he would come I would get Mr. SNELL to invite him. I yield now to the gentleman from Michigan [Mr. CRAMTON].

Mr. CRAMTON. Mr. Chairman, the gentleman has referred to a resolution that is pending for the investigation of the prohibition unit and of the enforcement of prohibition, and fortifies himself by quoting from a very good authority, the Governor of Pennsylvania. Will the gentleman from Maryland advise the House if it is not true that instead of his purpose being, as is the case of the Governor of Pennsylvania, to improve enforcement and administration, his purpose is to discredit the law itself and make impossible good administration and enforcement?

Mr. HILL of Maryland. Now, I am glad the gentleman has asked this question. I am glad the gentleman admits that the removal of Commissioner Haynes would make law enforcement impossible, and I will say this to the gentleman——

Mr. CRAMTON. The gentleman ought not to put such words in my mouth. I did not——

Mr. HILL of Maryland. It is the thoughts that are in the gentleman's heart that I quote.

Mr. CRAMTON. I ask the gentleman from Maryland the question, is the purpose of his resolution to secure a better administration of the law, or is it to discredit the law itself?

Mr. HILL of Maryland. No; you could not discredit the Volstead law worse than it is. My position is to have enforcement as long as it is on the statute books. Will the gentleman join me in going before the Committee on Rules and asking for a favorable report on House Resolution 153?

Mr. CRAMTON. I have not read that, but knowing the angle of the gentleman's mind, as the Governor from Pennsylvania has said, I must look with suspicion upon such a resolution until——

Mr. HILL of Maryland. I suppose the gentleman has that kind of spirit that if he heard cries and a bootlegger came to him and said, "Come, gentleman, with me; a girl is being murdered," that the gentleman from Michigan would say, "Let the little girl be murdered; I do not take information from bootleggers."

Mr. CRAMTON. The gentleman from Maryland reminds me, the attitude of the gentleman as to the enforcement of law and his illustration of the chorus girl have brought the same thought to my mind. I recall that recently——

Mr. HILL of Maryland. Mr. Chairman, I would like to hear the gentleman's speech, but I want to yield to my friend from Maine. How much time have I remaining?

The CHAIRMAN. The gentleman has five minutes remaining.

Mr. HILL of Maryland. I will yield to the gentleman for one minute more, and then I will yield to my friend from Maine.

Mr. CRAMTON. I will have to put it in the form of a question if the gentleman insists. Is it not a fact that a recent grand jury, not under the gentleman's administration as attorney, but a recent grand jury in Baltimore joined with their denunciation of the enforcement of the Volstead Act an appeal for the return of the segregated vice district in Baltimore?

Mr. HILL of Maryland. I notice that when the gentleman wanted to get the segregated vice district back the gentleman from Texas [Mr. BLANTON] applauded.

Mr. BLANTON. No; I am emphasizing what a very peculiar grand jury the gentleman has in Baltimore. It is certainly a ridiculous situation there, concerning the question of law enforcement.

Mr. HILL of Maryland. I would like to say to the gentleman from Michigan that he knows about the segregated district better than I do, and I did not know anything about such a report as mentioned.

Mr. CRAMTON. In Baltimore——

Mr. HILL of Maryland. I decline to yield to those who wish to bring back the segregated district anywhere.

The CHAIRMAN. The gentleman declines to yield.

Mr. HILL of Maryland. And I yield with pleasure to my distinguished friend from Maine.

Mr. HERSEY. It is only one question. I understood the gentleman that he was opposed to buying the evidence which in the report shows both intoxicating liquors and drugs. Does

the gentleman advocate the buying of evidence by the buying of drugs?

Mr. HILL of Maryland. I will say to the gentleman that I disapprove the buying of drugs if it is necessary for a man to go and himself take drugs in order to have them.

Mr. HERSEY. I am not saying about a man taking drugs, but suppose the agent enforcing both the prohibition and drug law should buy drugs for the purpose only of enforcing the drug act and not to take the drug.

Mr. HILL of Maryland. I am opposed to it, and I always have been opposed to it, and when I was United States district attorney for five years I refused to have stool pigeons working for the United States courts.

Mr. HERSEY. The gentleman is opposed to buying drugs for a conviction on the same grounds of policy that he is against the buying of liquor?

Mr. HILL of Maryland. I am against the violation of one law in order to attempt to enforce some other law.

Mr. CRAMTON. Will the gentleman yield?

Mr. HILL of Maryland. I will not yield to a man who advocates the segregated district over in Baltimore.

Mr. CRAMTON. The gentleman knows that is an unfair statement.

Mr. ALLGOOD. If the gentleman will permit, the gentleman made an indictment against a Member of Congress and seemingly preferred to shield the writer of that letter.

Mr. HILL of Maryland. I say to the gentleman that I make that indictment myself. I do not believe that the gentleman from Michigan favors any form of vice.

Mr. ALLGOOD. I think we ought to know who made that indictment. I would prefer the opinion of the American Congress.

Mr. HILL of Maryland. I will say to the gentleman that I concur entirely with the opinion of the writer of this letter.

Now, gentlemen, I have not time to take up the hand-out of the publicity bureau of Brother Haynes, but I have time to say a word to you. One hundred and forty-seven thousand dollars is too much to spend for 63 lawyers who could not tell me, after considering the matter two years, what the word "nonintoxicating" meant in section 29 of the Volstead Act. I shall address you at a more convenient moment on what Wayne B. Wheeler calls the "grape-juice loophole." One hundred and forty-seven thousand dollars is too much to pay to such lawyers. I would like to insert the correspondence that I have had concerning section 29 as a part of my remarks.

Mr. CRAMTON. Reserving the right to object, Mr. Chairman—which, of course, I do not like to do—if the gentleman from Baltimore will yield for a question——

Mr. HILL of Maryland. Mr. Chairman, has my time expired?

The CHAIRMAN. The gentleman's time has expired.

Mr. HILL of Maryland. I yield with great pleasure.

The CHAIRMAN. Does the gentleman desire his time extended?

Mr. MADDEN. I yield to the gentleman from Maryland two additional minutes.

The CHAIRMAN. The gentleman from Maryland is recognized for two minutes more.

Mr. CRAMTON. Does not the gentleman from Maryland recognize that not a syllable that I have offered justifies him in referring to me as an advocate of the segregated vice district? But his condemnation is entirely directed to a grand jury of his own city, which volunteered a finding to that effect without the question having been brought before it.

Mr. HILL of Maryland. I accept the gentleman's explanation; and I have a minute and a half left. I ask unanimous consent, Mr. Chairman, to extend my remarks, and also to extend them by the addition of the statement of the United States district attorney, the bill of complaint, and the answer of one JOHN PHILIP HILL in the case of the United States *v.* Hill, as to the interpretation of section 29 of the national prohibition act.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD by printing therein as a part of his remarks the record of the case of United States *v.* Hill, as to the interpretation of section 29 of the national prohibition act.

Mr. HERSEY. Mr. Chairman, will the gentleman give us the status of that case?

Mr. HILL of Maryland. I shall be glad to. It is set down for argument before the United States district court on the 8th of April, and I hope all the Members will attend on that occasion and give me their moral support.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. BLANTON. Reserving the right to object, we are going to be very busy legislating, and we will not have time to attend that trial, and I am quite sure we can not give the gentleman our moral support.

Mr. HILL of Maryland. I am sure the gentleman will give me his moral support in my resolution to investigate the charge of Governor Pinchot, in House Resolution 153.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. HILL of Maryland. Mr. Chairman, I extend my remarks under permission granted me by inserting the following:

The Federal prohibition unit, which I want investigated, has 63 lawyers at the total annual cost of $147,550. Yet, after pondering for two years, these 63 lawyers can not tell the meaning of the word "nonintoxicating" in section 29 of the Volstead Act. Here is the file in the case of the United States against Hill, a case made to test the act:

BALTIMORE, MD.,
Thursday, October 11, 1923.

The United States district attorney for Maryland, Col. A. W. W. Woodcock, issued the following statement this morning in reference to the homemade fruit juices of Representative HILL:

"The case of Congressman HILL is unusual for two reasons—first, the high position he occupies, and second, that he admits freely the acts the Government contends violate the law. The first reason entitles him to no consideration in this court beyond that given any other person. The second reason inclines one to believe that he may be seeking, sincerely, a judicial determination of the question whether what he had done is a violation of the law, rather than that he is deliberately breaking the law in the hope that he will emerge from the prosecution a hero or a martyr.

"It was my intention, originally, to lay this case before the grand jury. More mature consideration, and continuing through the week, has convinced me that, since the facts are substantially admitted, and the question primarily one of law, it would be more proper to lay it before the judge whose province it is to determine questions of law, than before a jury whose province it is to determine questions of fact. I have therefore asked for an injunction as provided in section 22 of the national prohibition act. This will allow Congressman HILL his day in court and a full opportunity to present his case.

"This is the first instance in which I have asked for an injunction until after a conviction by a jury, except where one has been issued by consent as a part of the compromise in a case. To that extent, Congressman HILL is getting special consideration. I think, however, that it is justified for the second reason stated above.

"If my belief should prove to be wrong, and he has deliberately violated the law of the land, regardless of the motive involved, the injunction would not necessarily prevent a criminal prosecution in the future. For the present, I desire most that this case proceed orderly and fairly, that Congressman HILL have the fullest opportunity to present his views to the court, but that it attract not one iota more attention than it deserves of its own merit.

"I understand that a temporary injunction will issue forthwith, the effect of which is to preserve the status quo pending the final determination. Congressman HILL may move to dissolve this injunction upon 5 days' notice or he may appear and answer this bill within 20 days after being served with the subpœna.

"If the Government's views prevail with the court, no doubt a permanent injunction will issue, closing the premises. The court may allow the defendant to reopen them upon giving bond that no violations of the national prohibition law will be permitted."

In the District Court of the United States for the District of Maryland.

United States of America *v.* John Philip Hill, defendant.

BILL OF COMPLAINT.

To the honorable the Judge of the District Court of the United States for the District of Maryland, sitting in equity:

The bill of complaint of the United States of America, by A. W. W. Woodcock, attorney in and for the district of Maryland, respectfully represents to the court as follows:

I. The complainant, the United States of America, is a corporation sovereign and brings this suit in its own right under section 22 of Title II of the act of Congress known as the "National prohibition act," and for the purpose of enjoining and abating a certain common nuisance as defined in section 21, Title II of the said act of Congress and now existing upon certain premises situate within the city of Baltimore, State of Maryland, and more particularly described in paragraph 4 of this bill of complaint.

II. That the defendant, JOHN PHILIP HILL, is a citizen of the United States and a resident of the city of Baltimore, State of Maryland, and is sued in his own right.

III. That this is a suit of a civil nature, arising under the Constitution and laws of the United States, and jurisdiction thereof is given to this honorable court by section 22 of Title II of said act of Congress, and by section 24 of the Judicial Code of the United States.

IV. That the defendant, JOHN PHILIP HILL, is, and was at all times hereinafter mentioned, the occupant of a certain house, building, structure, room, and place situated in the city of Baltimore and State of Maryland, namely, a three-story and basement building located at No. 3 West Franklin Street in said city and State.

V. That said premises, known as No. 3 West Franklin Street, in the city of Baltimore, State of Maryland, are maintained as a place where intoxicating liquor, as defined by section 1 of Title II of the said national prohibition act, is manufactured and kept in violation of the provisions of said title by said defendant JOHN PHILIP HILL, and that the premises, and the intoxicating liquor and property used in maintaining the same, are a common nuisance as defined and declared by section 21, Title II, of said national prohibition act, and that said nuisance is a continuing nuisance.

VI. That said premises, known as No. 3, West Franklin Street, in the city of Baltimore, State of Maryland, are maintained as a place where intoxicating liquor is manufactured and kept in violation of Title II of the said national prohibition act by said defendant JOHN PHILIP HILL, and that the premises, and the intoxicating liquor and property used in maintaining the same, are a common nuisance as defined and declared by section 21, Title II of said national prohibition act, and that said nuisance is a continuing nuisance.

VII. That on or about the 1st day of September, 1923, and continuously therefrom until the date of the filing of this bill said defendant, JOHN PHILIP HILL, unlawfully manufactured in the premises above described certain intoxicating liquor, to wit: Wine containing one-half of 1 per cent and more of alcohol by volume, to wit: 3.34 per cent to 12.64 per cent, respectively, of alcohol by volume and fit for use for beverage purposes, and that said wine was and is contained in numerous glass containers in and upon said premises and that in the said premises the said defendant had the equipment and paraphernalia appropriate for the manufacture of wine, all of which will more fully appear from the affidavit of George E. Beyer hereto annexed and prayed to be read and considered as a part hereof and marked "Exhibit A."

VIII. That unless restrained and forbidden by the injunction of this honorable court the said defendant will continue in the future to keep, maintain, and use the said premises and assist in maintaining and using the same as a place where intoxicating liquor is manufactured and kept in violation of Title II of said national prohibition act and as a common nuisance as defined in section 21 of said title.

To the end, therefore:

1. That the said defendant, his agents, servants, subordinates, and employees, and each and every one of them, be enjoined and restrained from using, maintaining, and assisting in using and maintaining said premises as a place where intoxicating liquor is manufactured, sold, kept, or bartered in violation of Title II of said national prohibition act.

2. The complainant further prays that this honorable court shall issue its process directed to the United States marshal, commanding him forthwith summarily to abate said common nuisance now existing upon said premises and for that purpose to take possession of said premises and to close the same and to take possession of all liquor, fixtures, and other property now used on said premises in connection with the violation constituting said nuisance and to remove the same to a place of safekeeping to abide the further order of said court.

3. The complainant further prays that this honorable court shall enter a decree directing that all the intoxicating liquor now in said premises in connection with the violation constituting said nuisance shall be destroyed.

4. The complainant further prays that this honorable court shall forthwith issue a temporary writ of injunction restraining the defendant herein named from conducting or permitting the continuance of said nuisance and shall order that no liquor shall be sold, manufactured, bartered, or stored in said premises or any part thereof until the conclusion of the trial in this case; and that said temporary injunction restrain the defendant, his agents, servants, subordinates, and employees and all other persons from removing or in any way interfering with the liquor or fixtures or other things used in connection with the violation of the national prohibition act.

5. The complainant further prays that this honorable court shall enter a decree directing that no intoxicating liquor shall be manufactured, sold, bartered, or stored in said premises, or any part thereof, and that said premises shall not be occupied or used for one year after the date of said decree.

6. That the complainant may have such other and further relief as the nature of the case may require.

May it please your honor to grant unto the complainant the writ of subpœna directed to the said JOHN PHILIP HILL, residing at No. 3 West Franklin Street, Baltimore, Md., commanding him to be and appear in this court at a day to be named therein and to abide by and perform such decree as may be passed herein.

UNITED STATES OF AMERICA,
Complainant.
A. W. W. WOODCOCK,
United States Attorney in and for the District of Maryland.

UNITED STATES OF AMERICA, *District of Maryland, ss:*

A. W. W. Woodcock, being first duly sworn, deposes and says that he is United States attorney in and for the district of Maryland, and is in charge of this action; that he has read the foregoing bill of complaint and knows the contents thereof, and the matters and things therein contained he verily believes to be true.

(Signed) CHAS W. ZIMMERMAN,
Chief Deputy Clerk of the District Court of the United States in and for the District of Maryland.

In the District Court of the United States for the District of Maryland.

United States of America, plaintiff, *v.* John Philip Hill, defendant.

DISTRICT OF COLUMBIA, *ss:*

I, George F. Beyer, being first duly sworn, depose and say that I am employed as a chemist by the Government of the United States and assigned to duty with the industrial alcohol and chemical division of the Bureau of Internal Revenue of the Treasury Department; that I am now stationed in the city of Washington, D. C.; that on, to wit, the 27th day of September, 1923, in company with Edward L. Wilcox, a chemist in the employ of the United States Government and assigned to said industrial alcohol and chemical division, I called at the residence of the defendant, JOHN PHILIP HILL, pursuant to an agreement made on the preceding day; that said defendant invited the affiant and said Wilcox into said house, and, after advising him of the purpose in calling, said HILL accompanied affiant and said Wilcox to the basement of said house and to a room about 18 by 16 feet in the southeast portion of said basement, and there pointed out to affiant and said Wilcox about 50 half-gallon fruit jars and told us that this is what you are to analyze. Each jar had a glass top, fastened with an iron clamp, with a rubber band under the glass top.

The defendant opened two jars of each kind of liquor, namely, those which he said contained sugar and those which he said did not contain sugar; that the defendant poured from each jar about one-half pint of liquid, holding the grapes in the jar with his hand; that after he had done this he stated that these were made according to a receipe given him by the farmer from whom he bought the grapes; that the half-gallon fruit jars were filled approximately two-thirds full of grapes, and approximately one-third pound of sugar was added, and the whole covered with water, leaving an air space of several inches; that the jars were then sealed and set aside; that the samples when drawn from each jar were placed in separate containers and marked by me for identification with Nos. 2AA, 2A, 3, and 3A, respectively, together with my initials and the initials of said Wilcox; that each of said samples was by said Wilcox and myself analyzed by what is known as the ebulliometer test on the premises in the presence of the defendant HILL, and that the result of such test was as follows:

Sample No. 2AA: 8.44 per cent of alcohol by volume.
Sample No. 2A: 11.8 per cent of alcohol by volume.
Sample No. 3: 3.27 per cent alcohol by volume.
Sample No. 3A: 3.16 per cent of alcohol by volume.

That said samples were thereafter securely sealed and taken to Washington, D. C., and were by affiant chemically analyzed in the chemical laboratory of the Treasury Department at Washington, D. C., and such analysis showed the following, except 3A, not analyzed at Washington, D. C.:

Sample No. 2AA: 8.28 per cent of alcohol by volume.
Sample No. 2A: 11.68 per cent of alcohol by volume.
Sample No. 3: 3.34 per cent of alcohol by volume.

That affiant further says that the said defendant HILL also had on said premises one 5-gallon keg full of what the said defendant HILL said was grape juice, a sample of which was analyzed by this affiant on the premises by the ebulliometer test, and that such test showed an alcoholic content of 12.64 per cent by volume.

GEORGE F. BEYER.

Subscribed and sworn to before me at Washington, D. C., this 8th day of October, 1923.

[SEAL.] LAWRENCE HUFTY,
Notary Public.

In the District Court of the United States for the District of Maryland.

United States of America, complainant, *v.* John Philip Hill, defendant.

ORDER FOR TEMPORARY WRIT OF INJUNCTION.

Upon the aforegoing bill of complaint and affidavit it is ordered this 11th day of October, in the year 1923, by the District Court of the United States for the District of Maryland:

That pending the final hearing and determination of this cause the defendant, his agents, servants, and employees, and all other persons, are restrained from manufacturing any intoxicating liquor upon said premises, and from continuing or permitting the continuance of such nuisance upon said premises, and from removing or in any way interfering with said intoxicating liquors or fixtures or other things used in connection with the violation of the national prohibition act constituting such nuisance.

MORRIS A. SOPER,
United States District Judge.

Remarks of Representative HILL upon reading the statement of the United States district attorney, Colonel Woodcock, reading the bill of complaint, including the affidavit of the examining chemist, and reading the order for temporary writ of injunction signed by United States District Judge Soper.

Although I do not favor the use of injunction ordinarily in criminal law enforcement, in this case the method adopted by Colonel Woodcock, United States district attorney, is entirely fair. His bill contains all the necessary allegations to test the controverted points of law, and I believe he has adopted the most speedy and direct method of obtaining a final and definite decision on the meaning of Title II, section 29, of the Volstead Act.

I shall at once lock and seal the room and closet in my house in which my homemade grape juice or homemade wine is contained, said rooms to remain sealed until the final disposition of the injunction proceedings.

I am sending at once a copy of the bill of complaint and injunction to the Secretary of the Treasury, with the request that he detail Judge J. J. Britt, counsel for Prohibition Commissioner Haynes, who prepared Treasury Decision 3498, and the letter of September 7, 1923, upon which I have acted, to assist me in the defense of this suit, if he desires to maintain his officially expressed opinion before the United States court.

I am also sending copies of the bill of complaint and decree to the governors of the several States, who have evinced great interest in these proceedings, in order that they may consider this matter when they discuss the Volstead Act in Washington on October 20.

I shall not ask for a dissolution of the temporary injunction, since I have no desire to in any way interfere with the fruit juices in question until after the legality of their status has been determined. I shall, of course, file an answer as soon as I hear from the Secretary of the Treasury and learn what part Commissioner Haynes's office desires to take in the elucidation and final determination of the much-mooted question.

Here is my answer in the United States court:

In the District Court of the United States for the District of Maryland—in equity.

United States of America *v.* John Philip Hill.

The answer of JOHN PHILIP HILL, defendant, to the bill of complaint of the United States of America.

This respondent answering says:

(1) Answering the first paragraph of the bill of complaint this respondent admits that this suit is brought under color of section 22 of Title II of the act of Congress known as the "National prohibition act," but does not admit that it is properly so brought, and denies that it is brought for the purpose of enjoining and abating any common nuisance, as defined in section 21, Title II, of said act, or any nuisance whatsoever, and further denies that any nuisance existed at the time of the filing of the bill or now exists upon the premises situated within the city of Baltimore, State of Maryland, and particularly described in paragraph 4 of the bill of complaint.

(2) Answering the second paragraph of the bill of complaint, this respondent admits the facts therein alleged.

(3) Answering the third paragraph of the bill of complaint, this respondent denies that this is a suit of a civil nature, arising under the Constitution and laws of the United States, but says, on the contrary, that it is a proceeding of a criminal nature.

(4) This respondent admits the matters alleged in the fourth paragraph of the bill of complaint to be true as therein stated.

(5) Answering the fifth paragraph of the bill of complaint, this respondent denies each and all of the allegations thereof, and for more particular answer thereto refers to his answer to the seventh paragraph of the bill.

(6) Answering the sixth paragraph of the bill of complaint, this respondent denies each and all of the allegations thereof, and for more particular answer thereto refers to his answer to the seventh paragraph of the bill.

(7) Answering the seventh paragraph of the bill of complaint, this respondent says that he is a Member of the Congress of the United States, representing the third congressional district of the State of Maryland, and was elected such Representative at the election held in November, 1920, and reelected at the election held in November, 1922. This respondent's said district is a wholly urban district, lying entirely within the most densely populated portion of the city of Baltimore. On behalf of his constituents it became the duty of this respondent to bring to the attention of the House of Represenatives, and of the people, discriminations, if any, existing in the law against this respondent's constituents and in favor of inhabitants of rural districts. Under the national prohibition act, as administered and practiced, such discriminations against this respondent's constituents actually exist. This respondent's constituents are constantly being prosecuted for making or possessing nonintoxicating beer, although the residents of rural districts openly and habitually manufacture and possess fruit juices containing very much more than one-half of 1 per cent of alcohol by volume, and intoxicating in fact; yet no prosecutions are ever instituted against them.

Section 29 of Title II of the Volstead Act provides as follows:

"The penalties provided in this act against the manufacture of liquor without a permit shall not apply to a person manufacturing nonintoxicating cider and fruit juices exclusively for use in his home, but such cider and fruit juices shall not be sold or delivered except to persons having permits to manufacture vinegar."

Soon after the passage of this act over the veto of President Wilson, to wit, on October 29, 1919, a question was raised as to the construction and effect of this provision, and the Attorney General ruled that it not merely relieved a householder producing in his own home for his own use fruit juices suitable for beverage purposes containing more than one-half of 1 per cent of alcohol but not intoxicating in fact from the pains and penalties denounced in the act against the "manufacture" of beverages containing more than one-half of 1 per cent by volume, leaving the producer subject to the milder penalties denounced against the "possession" of such beverages, but rendered both the production and the possession of such fruit juices absolutely legal and free from objection.

In practice, this opinion, as the respondent found and as has been already mentioned, is construed by the United States attorneys and by Federal prohibition officers as authorizing farmers and denizens of rural districts to produce in their homes for their personal use cider and fruit juices which not only contain more than one-half of 1 per cent of alcohol but which are even highly intoxicating in fact.

That such is the law is, if not held by the prohibition commissioner, at least intimated by him for the purpose of allaying hostility to the Volstead Act and of checking movements for its modification or repeal, and many farmers and other inhabitants of rural districts believe and are encouraged to believe it to be the law; for example, the assistant superintendent for Maryland of the Anti-Saloon League, an organization which is accorded a quasi official status in matters relating to the enforcement of the national prohibition act, in an open letter, dated June 17, 1922, to the Baltimore American wrote as follows:

"The present regulations made in pursuance of the Volstead Act permit the farmer to make cider and let it ferment and become intoxicating, allows him to drink it in his home, or give it to his friends when they drop in—in fact, laying only one prohibition upon him, which is that he must not sell the same as a beverage after it becomes hard."

Such being the discriminatory practical operation of said act, and such the state of the rulings and public opinion as to its construction, this respondent felt that his duty as a Member of Congress required him to focus the attention of Congress and the people upon the question and to obtain, if possible, some authoritative construction of the law. Accordingly, on April 26, 1922, this respondent wrote to the prohibition commissioner the following question among others:

"Under the national prohibition act, what is the percentage of alcohol permitted by your office for use in the home as 'nonintoxicating'? I desire also to ask specifically whether cider containing 2.75 per cent of alcohol by volume is permissible for use in the home."

The prohibition commissioner on May 2, 1922, replied as follows:

"The questions submitted by you are answered in the order in which stated, as follows:

"1. Under the provisions of section 29, Title II, of the national prohibition act this office has ruled that cider and other nonintoxicating fruit juices, manufactured exclusively for use in the home of the maker, are not necessarily limited to less than one-half of 1 per cent of alcohol by volume but must be intoxicating in fact to be in violation of the national prohibition act. No specific alcoholic limit has been publicly fixed. As at present advised, this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume."

This respondent thereupon urged upon the prohibition commissioner the injustice of failing to inform law-abiding housewives and farmers of the amount of fermentation they could produce in homemade cider and fruit juices, writing on June 12, 1922, as follows:

"At this season of the year, I am informed, the women of my district are making homemade grape wines, and they will soon be making blackberry cordials and other homemade beverages; also at this season

of the year my farmer friends in Maryland are preparing to make their cider. I therefore ask you for an official definition of what is a 'nonintoxicating fruit juice.' You have already advised me that your office is not disposed to take action against the manufacture for use in the home of the maker of cider and other fruit juices containing not more than 2.75 per cent of alcohol by volume. Will you be good enough to advise me whether your office has yet changed its ruling that 'no specific alcoholic limit has been publicly fixed'? I think the time has come when you should fix a specific alcoholic limit for cider and other nonintoxicating fruit juices for the information of the housewives and farmers of Maryland and other States. I should be obliged for a prompt and specific reply."

The prohibition commissioner replied as follows, on June 20, 1922, declining to give any information as to the amount of fermentation which would be permissible without risk of prosecution:

"Receipt is acknowledged of your letter of June 12, 1922, in which you make inquiry as to whether or not this office has fixed a specific alcoholic limit for nonintoxicating cider and fruit juices under the exempting provision of section 29 of Title II of the national prohibition act.

"You urge that such limitation be now fixed by this office.

"In regard thereto, you are informed that this office does not deem it expedient to fix such limitation, in view of the fact that Congress has not done so and the courts have not as yet definitely settled the question."

Thereupon this respondent proposed in the House of Representatives that beer and cider be placed on the same footing as to alcoholic content, either by liberalizing the provisions as to beer, so as to make them conform to the provisions as to cider and fruit juices, as construed by the prohibition commissioner, or else by deleting the language which the prohibition commissioner construed as permitting homemade cider and fruit juices having a greater alcoholic content than that permitted in beer. Upon this suggestion, the prohibition commissioner retracted his statement that he would not prosecute for the production of cider or fruit juices containing not more than 2.75 per cent of alcohol, as will appear from the following extract from a letter of the prohibition commissioner to this respondent dated July 3, 1922:

"Relative to the declaration in letter of May 2, 1922, that this office would not proceed against persons manufacturing cider or other fruit juices containing as much as 2.75 per cent of alcohol by volume, this statement was embodied by the draftsman under a misapprehension of the position of this office, as such is not its view and no instructions to that effect have been promulgated."

On August 31, 1922, the prohibition commissioner, in response to further inquiries from this respondent and after further discussion of the question by this respondent and others on the floor of the House of Representatives, wrote to this respondent that no further light could be thrown on the question of what percentage of alcohol or degree of fermentation in homemade fruit juices would render the householder liable to prosecution:

"Replying to your letter of August 15, 1922, you are informed that such information as this office is able to furnish in regard to the manufacture of nonintoxicating cider and fruit juices for use in the home exclusively is contained in the letter addressed you on May 2, 1922, as modified by the letters of June 20, and July 8, 1922."

On September 11, 1922, the respondent wrote to the Attorney General, requesting that he advise the prohibition commissioner as to construction of the law in respect to the permissible alcoholic content of cider and homemade fruit juices; and on September 12, 1922, the Attorney General by Assistant Attorney General Willebrandt replied that he could legally render such an opinion only upon the request of a department head, to wit, the Secretary of the Treasury. Nevertheless, subsequently, as is hereinafter more fully set forth, even when requested for such an opinion by the Secretary of the Treasury, with a particular request that he expedite it, he refused or failed to render any opinion.

Thereupon, this respondent, having been unable to obtain any light from the prohibition commissioner as to the amount of alcohol permissible in homemade fruit juices, and having been informed by the Attorney General that he could not legally render an opinion thereon without the previous request of the Secretary of the Treasury, applied to the Secretary of the Treasury, who, on September 22, 1922, replied as follows:

"Your letter of September 16 has been referred to Mr. J. J. Britt, who is the legal adviser of the prohibition commissioner, with the request that he construe for Commissioner Haynes section 29 of Title II of the Volstead Act."

Four days later, on September 26, 1922, this respondent wrote the prohibition commissioner as follows:

"Will you be good enough to advise me whether your legal adviser, in accordance with the instructions of the Secretary of the Treasury, has advised you as to the construction of section 29, Title II, of the Volstead Act, and tell me what regulations you have issued as a result of such advice for the enforcement of this section, which relates to the alcoholic content of cider and nonintoxicating fruit juices? I have been endeavoring to obtain this information since April 26, and will be obliged to you for a prompt response."

On September 29, 1922, the prohibition commissioner replied as follows:

"In regard thereto you are informed that from a careful examination of the files of this office it does not appear that Mr. Britt has rendered any such opinion, and no new regulations have been issued on the subject or information furnished the head of the Anti-Saloon League of the State of Maryland pursuant to such opinion.

"You have heretofore been furnished with full information and such regulations as have been issued on this subject and there has been no departure therefrom since you were informed by letters in regard thereto. The information heretofore furnished you is such as is furnished to all persons interested in the subject and is in accordance with the views of the best-informed officials as to the proper interpretation of section 29, Title II, of the national prohibition act."

After waiting 10 days, this respondent again inquired, this time by telegraph, on October 9, 1922, whether the opinion had been rendered, and received from the prohibition commissioner the following reply, dated October 10, 1922:

"Question of legal status of cider and unfermented fruit juices submitted to Attorney General by Secretary Mellon. Opinion not yet handed down."

After another interval of 10 days in which no information was forthcoming, this respondent on October 19, 1922, wired a further inquiry to the Secretary of the Treasury, who on the following day, October 20, 1922, replied as follows:

"Your wire 19th, Britt was directed to construe section 29, Title II, for Commissioner Haynes. He preferred to have Attorney General pass on matter, and promptly referred it to that office. Department Justice has this day been requested to expedite opinion. Mellon, Secretary."

On the same day, to wit, October 20, 1922, this respondent wired the Attorney General asking for a copy of the opinion which the Secretary of the Treasury had requested should be expedited. The Attorney General on the same day, to wit, October 20, 1922, replied as follows:

"Opinion re alcoholic content cider not yet rendered. Daugherty."

Nearly five months passed by, and the opinion which the Secretary of the Treasury had requested the Attorney General to expedite was still in gramio legis. Thereupon this respondent on March 3, 1923, wrote the prohibition commissioner as follows:

"Since April, 1922, I have been trying to obtain from you a ruling as to what the word 'nonintoxicating' means in Title II, section 29, of the Volstead Act, and what are the regulations of your office concerning the amount of alcohol permitted in cider and homemade wines before the same are to be considered 'intoxicating' under the Volstead Act.

"The Secretary of the Treasury advised me that he had asked the Attorney General for a ruling on this subject. The Attorney General advises me he had not yet rendered such an opinion. Could you advise me if such an opinion has been rendered as yet and send me a copy of the opinion?

The prohibition commissioner two days later, on March 5, 1923, replied as follows:

"As to the opinion of the Attorney General, it has not yet been rendered, but I am to-day informally advised that it may be expected soon, and as early as it is received and printed I shall be glad to furnish you a copy of it also."

After the lapse of another two months, in which the long-expected opinion still failed to be promulgated, this respondent on May 16, 1923, again wrote the Secretary of the Treasury, inquiring as follows:

"It is now seven months since your department asked the Department of Justice to expedite this opinion. Law-abiding citizens of my district are entitled to know what kind of cider and fruit juices they can legally make in their homes as nonintoxicating. I am entirely unable to obtain any information from the Federal prohibition commissioner, and am therefore writing to you to ask if the Attorney General has rendered the opinion, the expedition of which you requested on October 20, 1922."

On June 4, 1923, the Secretary of the Treasury in response to this respondent's last-mentioned letter wrote to this respondent, on June 4, 1923, that the opinion which the Attorney General had been requested to expedite had not been rendered, and that instead thereof Mr. James J. Britt, counsel for the prohibition commissioner, had been requested to prepare an opinion on the subject, saying:

"Replying to your letter of May 15 relative to an opinion of the Attorney General on the right to manufacture cider and nonintoxicating fruit juices, I have to say that request was made several months ago for an opinion on the law involved in the subject by the Attorney General. For some reason this opinion seems not to have been rendered, and Mr. James J. Britt, counsel for the prohibition unit, has been directed to prepare an opinion on the subject, and I am informed that

regulations embodying the subject are being formulated by the prohibition unit which will be available in time for the cider season for this summer and fall."

As a result of this direction, Hon. James J. Britt prepared T. D. 3498, which was approved by the Acting Secretary of the Treasury on July 19, 1923, a copy of which is herewith filed as part of his answer, marked "Respondent's Exhibit No. 1."

As by reference thereto will more certainly appear, this regulation purported to deal with home manufacture of nonintoxicating cider and fruit juices, but neglected to define the maximum limit of alcohol legally permissible in such beverages.

This respondent called the attention of the prohibition commissioner to this omission by letter dated August 22, 1923, and in reply received from the acting prohibition commissioner a letter dated September 1, 1923, stating:

"In reply to your inquiry as to what point the alcoholic content of nonintoxicating fruit juices made in the home may be reached before further fermentation must be arrested, you are advised that the alcoholic content of nonintoxicating cider and fruit juices made exclusively for use in the home under the exempting provision of section 29, Title II, of the national prohibition act, has not been fixed by law or regulation."

T. D. 3498 also prescribed form 1541 for giving "Notice of intention to produce not in excess of 200 gallons of nonintoxicating fruit juices exclusively for use in the home of the producer," such notice to be given to the collector of internal revenue. Thereupon, in compliance with said T. D. 3498, but without recognizing its validity, this respondent served upon the collector of internal revenue for the district of Maryland notice of his intention to produce nonintoxicating fruit juices, which said notice was duly received, as will appear from the collector's letter to this respondent dated August 23, 1923, acknowledging its receipt and reciting its terms, copy whereof, with copies of other letters, is herewith filed as part of this answer marked "Respondent's Exhibit No. 2."

In addition, on September 6, 1923, the respondent wrote to the Federal prohibition director for the district of Maryland, notifying him that the pressing of grape juice would take place on September 6, 1923, and adding:

"I am advised by the Bureau of Standards in Washington, by the chief chemist of the Federal prohibition unit in Washington, and by your office personally this morning that there is no instrument in the nature of a hydrometer, or of any other character, in use in your department for testing the alcoholic content of homemade wines.

"Desiring to comply with the law and to stop fermentation before the fruit juices become 'intoxicating,' I request that you send to my house at noon to-morrow a Federal prohibition agent to take sample of my product to be sent to Washington for analysis, and I further request that such agent take sample of this product from time to time in order to ascertain the alcoholic content."

Thereupon this respondent, in order that he might do nothing which could be deemed to be illegal, inquired of the prohibition commissioner what was the maximum amount of alcohol by volume permitted under T. D. 3498. By letter dated September 1, 1923, Acting Prohibition Commissioner Jones advised this respondent that such maximum had not been fixed by law or regulation, saying:

"The alcoholic content of nonintoxicating cider and fruit juices, made exclusively for use in the home under the exemption provision of section 29 of Title II of the Volstead Act had not been fixed by law or regulation."

Thereupon this respondent telegraphed to the prohibition commissioner inquiring whether section 1 of the prohibition act, defining "intoxicating" as "containing more than one-half of 1 per cent of alcohol by volume," applied to homemade fruit juices, and on September 7 the prohibition commissioner replied as follows:

"It was the intention of Congress not to include cider and nonintoxicating fruit juices as ordinarily made and used within the purview of intoxicating liquor."

Copies of the various letters and telegrams hereinabove referred to are herewith filed as part of this answer, marked collectively "Respondent's Exhibit No. 2."

In the meantime this respondent, having as aforesaid sought in vain to obtain from the Treasury Department and the Department of Justice light on the amount of fermentation which could be permitted in homemade grape juice, had resort to the Department of Agriculture, which had promulgated Farmers' Bulletin 1075, a copy whereof is herewith filed as part of this answer marked "Respondent's Exhibit No. 4." Said bulletin contains elaborate provisions for the pasteurization or sterilization of grape juice so as to stop fermentation, but gave no information as to the stage at which it is desirable or legally necessary to resort to these processes.

Accordingly this respondent at his home, No. 3 West Franklin Street, in the city of Baltimore, following the cold-press method recommended by the Department of Agriculture in said Bulletin 1075, proceeded to produce grape juice for his own use. This respondent, at his own expense, caused an analysis to be made of various samples of said grape juice so contained in his said dwelling house by Penniman & Browne, a reputable firm of chemists in the city of Baltimore, which he immediately transmitted to the prohibition commissioner; but whether the said report is accurate or correct this respondent does not know and therefore can not admit. So far as practicable this respondent kept the prohibition commissioner daily informed as to the progress of the fermentation in this respondent's said grape juice. Moreover, the progress of fermentation of this respondent's grape juice was almost daily set forth in the public press. This respondent did not "manufacture" any partially or completely fermented grape juice in a state of nature and allowed nature to take its course.

Subsequently, to wit, on September 27, 1922, two employees of the plaintiff called at this respondent's said dwelling with his consent and indeed by his invitation for the purpose of analyzing the alcoholic content of this respondent's said grape juice; but whether the results of this analysis are correctly set out in the affidavit annexed to the bill, or whether their analysis is correct, this respondent does not know and therefore can not admit.

About a week before the filing of the bill of complaint in this case, to wit, on October 3, 1923, the district attorney gave out a public interview to the press, in which he stated that he had no intention of taking any steps in the matter, stating that it was a case for the application of the legal maxim "de minimis non curat lex," a copy of which interview, taken from the Baltimore Evening Sun, is herewith filed as part of this answer marked "Respondent's Exhibit No. 4." For some reason, to this respondent unknown, the United States attorney changed his mind overnight, and on the following morning announced that he would lay the matter before the grand jury and ask the indictment of this respondent. If he did so, the grand jury ignored the request, as no indictment has been brought against the respondent. About a week later, on October 11, 1923, the bill in this case was filed.

This respondent denies the remaining allegations of the seventh paragraph of the bill not herein expressly admitted.

(8) Answering the eighth paragraph of the bill of complaint, this respondent denies that unless restrained and forbidden by the injunction of this honorable court this respondent will continue in the future to keep, maintain, and use the said premises and assist in maintaining and using the same as a place where intoxicating liquor is manufactured and kept in violation of Title II of said national prohibition act and as a common nuisance as defined in section 21 of said title.

(9) Further answering the bill of complaint, this respondent charges that section 29 of Title II of the national prohibition act, commonly known as the Volstead Act, exempts cider and other fruit juices made in the home for the householder's personal use from the operation of subsection 1 of said Title II in so far as the same provides that wine or fermented liquid containing one-half of 1 per cent or more of alcohol by volume which are fit for beverage purposes shall be deemed to be included in the word "liquor" or the phrase "intoxicating liquor" in said title, even though the same may be nonintoxicating in fact; and that therefore the manufacture of cider and fruit juices exclusively for use in the respondent's home, and not for sale or delivery to other persons, and also the possession of such cider and fruit juices, is wholly legal and not prohibited by the said Volstead Act, at least unless the same are intoxicating in fact.

The respondent is advised that by the true construction of the bill of complaint it does not allege that the said fruit juices which this respondent is alleged to have produced are intoxicating in fact, but merely that they are "intoxicating liquor, to wit, wine containing one-half of 1 per cent and more by volume and fit for use for beverage purposes"; or, in other words, that they are "intoxicating" in the sense in which that word is defined in section 1 of Title II of the Volstead Act—that is to say, that they contain more than a half of 1 per cent of alcohol by volume. This respondent is advised that by reason of the failure aforesaid of the bill of complaint to allege this respondent's fruit juices to be intoxicating in fact the said bill is fatally defective; and the respondent craves the benefit of an exception to the bill based on the defect aforesaid as a defense thereto to the same extent as prior to the adoption of the new equity rules might have been done by demurrer.

And this respondent also avers and charges that by the true construction of section 21 of said Title II of the Volstead Act, under color of which this bill is filed, said section is inapplicable to a dwelling house, no part of which is used for business purposes, even though liquor may have been casually or in an isolated case "manufactured" or "kept" therein in violation of said title, and that said section 21 applies only where premises are used as a business, or at least habitually and not merely casually or temporarily, for the manufacture or storage of liquor. This respondent's said dwelling house, No. 3 West Franklin Street, in the city of Baltimore, is a private dwelling, occupied as such, and no part thereof is used for any business purpose; and this respondent is advised and charges that even if what he has done upon said premises amounts to a violation of the said Volstead Act—which this respondent wholly denies—yet as said supposed violation was unintentional and not as a business or habitually the said section 21, properly construed, would not brand this respondent's

said dwelling as a common nuisance or authorize the maintenance of this suit.

This respondent is further advised and charges that the production of fruit juices by pressing the same from fruit and allowing such juices to remain subject only to the ordinary laws of nature does not constitute the "manufacture" of liquor, even though said fruit juices by the operation of said ordinary laws of nature should become intoxicating in fact.

The illogical, not to say absurd, position which the complainant is required to take in order to sustain the present bill is shown by the prayers of the bill and by the terms of the ex parte order passed thereon upon application of the United States attorney. In order to maintain the bill it is necessary under section 22 of the Volstead Act—assuming it to be constitutional—to prove that a "nuisance" existed at the time of the filing of the bill, though not necessarily at the time of the hearing. The gist, therefore, of the bill is and must be that the existence on the premises No. 3 West Franklin Street of grape juice in which the natural process of fermentation is going on or has gone on to extent existing on October 11, 1923, constitutes a nuisance per se. Yet, strange as it may seem, the complainant prayed for and obtained the passage of an order restraining the respondent until final hearing from abating that alleged nuisance, to wit, "from removing or in any way interfering with said intoxicating liquors or fixtures or other things used in connection with the violation of the national prohibition act, constituting such nuisance." In other words, this respondent is by order of this honorable court restrained from abating, and expressly required to continue, the status which is alleged to constitute a nuisance.

The respondent avers and charges that the incongruity and self-contradictory character of the relief which the plaintiff asks pending the suit demonstrates that no nuisance existed at the time of the filing of the bill.

This respondent is further advised and charges that if said section 21 and section 22 should be construed to authorize the maintenance of this suit, said sections are in conflict with that clause of section 2 of Article III of the Constitution of the United States which provides that "the trial of all crimes, except in case of impeachment, shall be by jury," and also with the seventh, eighth, and ninth amendments to the Constitution of the United States. In particular, the respondent says that said sections, if valid and applicable to this case, would authorize this court to impose, in effect, a fine and penalty upon this respondent, and not merely to enjoin him from the future violation of law, to wit, by subjecting him to the destruction of his property used in the production of said grape juice and by depriving him of the use of his dwelling house, No. 3 West Franklin Street, even for lawful purposes, during the period of one year.

This respondent also specially avers and charges that said sections 21 and 22, if applicable to this suit, violate that provision of the eighth amendment to the Constitution of the United States which provides that excessive fines shall not be imposed. In particular, this respondent says that if said section is applicable to this case, it would impose upon this respondent the total loss of the use for the period of a year of valuable property by reason merely of acts which the United States attorney as aforesaid has stated to be so trivial as to bring the case within the maxim "de minimis non curat lex."

This respondent also says that the complainant having refused to give him information as to the construction placed upon the relevant provisions of law before this respondent's alleged violation thereof, and having, through its prohibition commissioner and Secretary of the Treasury, failed and refused to exercise the quasi legislative power of prescribing reasonable regulations for the enforcement and clarification of the law, does not come into equity with clean hands, but should be left to its remedy at law by indictment, information, or otherwise; and that the complainant, seeking equity, should first be required to do equity in the premises.

The respondent also avers and charges that the complainant has a full, adequate, and complete remedy at law, and that a court of equity is without jurisdiction in the premises.

Having fully answered the bill of complaint, the respondent prays to be hence dismissed.

RESPONDENT'S EXHIBIT NO. 1—UNITED STATES v. HILL.

(T. D. 3498. Prohibition—Manufacture of cider and vinegar. Article V, Regulations 60, amended.)

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C.

To Federal prohibition directors and others concerned:

Article V of Regulations 60 is hereby amended to read as follows:

SEC. 34. Definitions: As used in this article: (a) The word "cider" shall mean the expressed juice of whole, fresh, sound, ripe apples, exclusive of any extraneous or foreign matter, and without regard to the fermentation or alcoholic content thereof, unless otherwise indicated by the context.

(b) "Sweet cider" is the fresh juice obtained by the first pressing of whole, fresh, sound, ripe apples.

(c) "Preserved sweet cider" is sweet cider as defined above in which alcoholic fermentation is prevented or materially retarded (1) by the addition, immediately upon pressing, of U. S. P. benzoate of soda in the proportion of not less than 4 to 4½ (this increase in the minimum requirement of benzoate of soda is intended to provide for variations in temperature, shipping conditions, destination, period of time in which cider is to be kept, etc.) avoirdupois ounces to each barrel of not exceeding 50 wine gallons capacity, or (2) by pasteurization or sterilization and immediately placing same in small impervious, sterile, sealed containers, such as bottles or jugs.

(d) The presence of 4 per cent of acetic acid will be considered as constituting the article "vinegar" and the presence of as much as 1½ per cent of acetic acid will be considered "vinegar stock." Other acetic solutions of similar strength made from malt, etc., shall also be considered to be vinegar or vinegar stock.

SEC. 35(a). *Home manufacture of nonintoxicating cider and fruit juices.*—Under section 29 of the act the penalties against the manufacture of liquor without a permit do not apply "to any person for manufacturing nonintoxicating cider and fruit juices exclusively for use in his home, but such cider and fruit juices shall not be sold or delivered except to persons having permits to manufacture vinegar." Any person, therefore, for use exclusively in his home, may manufacture cider and fruit juices of other kinds which are nonintoxicating, without obtaining permit or giving bond. Such manufacture need not be done at the home of the producer but such person may take his apples or other fruits to a custom or commercial mill and have the juice expressed, and the juice removed to his home, but such removal must be accomplished immediately after the juice is expressed. Fruit juice may not be lawfully used for beverage purposes after becoming intoxicating.

(b) If the nonintoxicating cider or fruit juice so manufactured is intended for beverage use it must, if intended for other than immediate consumption, be so preserved and put up as to prevent further alcoholic fermentation. The processes by which fruits and vegetables are ordinarily prepared in cans or jars for winter use are familiar to most housewives, and it is expected that the same care will be exercised in sterilizing and bottling cider, grape juice, etc., as is done in the case of the other preserving operations mentioned so that such cider and fruit juices will not, when consumed for beverage purposes, be found to have "worked" or fermented so as to become intoxicating.

(c) If intended for immediate beverage use, or if intended for home use only, as vinegar, such cider and fruit juices need not be sterilized and sealed or otherwise preserved, but after becoming intoxicating such cider or fruit juices should not be used for beverage purposes.

(d) A person who makes nonintoxicating fruit juice for bona fide home use exclusively may, if he afterwards finds it desirable, sell a part thereof to a person holding a permit as a manufacturer of vinegar. If such sale is made before the juice has so fermented as to become intoxicating no permit authorizing the specific transaction is required, but if such juice at the time of sale is intoxicating the provisions of section 40(d) must be complied with. If the juice has fermented through to vinegar stock or vinegar, such sale to a vinegar manufacturer may be made without presentation of a permit to purchase, but the vinegar manufacturer is required to keep the records required in section 41. A person who makes fruit juices containing one-half of 1 per cent or more of alcohol by volume with the intent of selling same to a vinegar manufacturer must procure permit as provided in sections 39(a) and 39(e).

(e) Sweet cider direct from the press may lawfully be sold by the glass or in other small containers without permit, provided it is not combined with any other ingredient so as to produce an intoxicating liquor, and is sold for consumption at the place of sale or in such proximity thereto and in such quantities that it will reasonably be expected to be consumed before becoming intoxicating. One selling unpreserved sweet cider, even though it is not intoxicating at the time of sale, to be consumed after such alcoholic content has developed is guilty of violating section 18 of the act making it unlawful to sell any "substance * * * designed or intended for use in the unlawful manufacture of intoxicating liquor."

(f) Dried fruits, dandelions, rhubarb, etc., may not lawfully be used in the production of the "nonintoxicating cider and fruit juices" mentioned herein.

SEC. 36(a). A head of a family intending to produce in any year not to exceed 200 gallons of such fruit juice, other than cider, any part of which may ferment so as to contain as much as one-half of 1 per cent of alcohol by volume, must, in order to legalize such production under the internal-revenue laws as well as to obtain tax exemption, in lieu of the notice provided in T. D. 2765, at least five days before commencing operations for any vintage season, file Form 1541, set out in section 37. The notice will be made in triplicate on Form 1541; one copy will be retained by the producer, one copy will be filed with the collector of internal revenue, and one filed with the director. Form 698 will be used by persons intending to produce

wine. The nonintoxicating fruit juices thus manufactured tax free may not be commercialized or sold. The notice will be effective for one year from the date thereof. Production hereunder shall not take place on bonded winery premises.

(b) The tax exemption mentioned in section 36(a) does not apply to such fruit juices (a) made by one person for the use of another, whether consumed on the premises or removed therefrom for the family use of the owner; (b) produced by a single person, unless he is the head of a family; (c) produced by a married man living apart from his family, and not for the use of that family, as in such case the fruit juices are not made for family use; (d) made by a partnership, (e) furnished ranch hands or boarders.

SEC. 37. The notice mentioned in section 36(a) should be in form substantially as follows:

NOTICE OF INTENTION TO PRODUCE NOT IN EXCESS OF 200 GALLONS OF NONINTOXICATING FRUIT JUICES EXCLUSIVELY FOR USE IN THE HOME OF THE PRODUCER.

(Form 1541.)

TO COLLECTOR OF INTERNAL REVENUE,

——— *District of* ———.

SIR: I, ——— (name), ——— (street and No.), ——— (city, county, State), hereby give notice that on or about ———, 192—, I intend to commence producing nonintoxicating fruit juices exclusively for use in my home, and not to be otherwise removed, consumed, sold, or delivered, and that I do not intend to produce more than 200 gallons of such fruit juices during the year for which this notice is given and is in effect.

I further state that if I produce or have on hand at any one time more than 200 gallons of fruit juices, containing as much as one-half of 1 per cent of alcohol by volume, I will give timely notice thereof on Form 698 and execute bond as required by T. D. 2765, and will further comply with the provisions of the internal revenue and prohibition laws and regulations of the United States.

Dated at ———, 192—.

——— ——— (Signature.)

SEC. 38. For the operation of a custom cider mill no permit is required if the cider is promptly removed to the home of the owner while sweet, as defined in section 34(b); cider taken as toll may be promptly sold by the mill operator under the same circumstances.

SEC. 39(a). Commercial production: A person desiring to manufacture preserved sweet cider under section 4 of Title II of the act, or cider or other liquid or liquor specified in this article for conversion into vinegar, or to use such cider, liquid, or liquor in the manufacture of vinegar, or to sell same to a vinegar manufacturer, should file application on Form 1404 as prescribed in article 3, as amended by T. D. 3398 and 3410, setting forth in such application the acts for which authorization is desired. If such application is approved, a permit will be issued authorizing the acts stipulated in the permit.

(b) Preserved sweet cider may be manufactured under permit issued as provided above, and when manufactured and prepared for the market may be sold without further permit. The process of preservation shall be adequately described in the application. A method of preserving by pasteurization and bottling in closed sterile containers is generally recognized as efficient. Pasteurized cider may not be sold or delivered in bulk containers, such as kegs, barrels, etc. (except to a vinegar maker, pursuant to section 40(d)). The manufacturer of preserved sweet cider is responsible for preparing it in such manner as will insure such cider remaining nonintoxicating; and where such cider is found upon the market containing excessive alcohol the burden of proof shall be upon the manufacturer to show that it was so prepared and that it was not intoxicating at the time it was withdrawn from the place where manufactured. The placing of such responsibility upon the manufacturer shall not, however, be construed to relieve from the penalties provided in the act such manufacturer or any other person so treating or manipulating such cider as to increase the alcoholic content.

(c) By section 602(b) of the revenue act of 1921 a sales tax of 2 cents per gallon is placed "upon all unfermented fruit juices," sweetened or not and intended for consumption as beverages; by section 602(c) pure apple cider, preserved as herein provided, is specifically exempted from such tax.

(d) Intoxicating cider is subject to forfeiture unless manufactured under permit and intended for sale to a vinegar manufacturer and except as provided in section 35(a). If nonintoxicating cider is lawfully acquired and held and such cider later develops sufficient alcohol to render it intoxicating, the person so possessing such cider in good faith may apply for a permit to dispose of it to a vinegar manufacturer.

(e) Cider manufactured by a person holding a permit therefor may, under proper permit, be used in the manufacture of vinegar or may be sold or furnished to other persons holding permits to use cider in the manufacture of vinegar, pursuant to and upon receipt of permits to purchase, Form 1410A, and may not be otherwise disposed of, except as provided in subsection (f) of this section. Such cider may be sold in bulk containers such as barrels and without payment of tax thereon.

(f) Cider manufactured under permit may, pursuant to and upon receipt of permit to purchase, Form 1410A, be sold by the manufacturer to a manufacturer of food products, such as apple butter, as provided in T. D. 3045.

(g) In the manufacture of cider, sugar or other fermentable substance should under no circumstances be added to the apple juice for the purpose of increasing the alcoholic content, inasmuch as such practice is held to constitute the production of a mash fit for distillation within the prohibition of R. S. 3282. Preserved sweet cider may, however, be charged with carbonic acid gas.

SEC. 40(a). Vinegar.—Pursuant to appropriate permits, liquors may be manufactured for conversion into vinegar, and vinegar may be manufactured from such liquors.

(b) Vinegar may be made by the vaporization process pursuant to the provisions of R. S. 3282, as amended, and Regulations 7, pages 225 and 229.

(c) Malt vinegar may be made by the direct oxidation of malt liquor without the use of generators or the vaporization process. Malt liquor for conversion into vinegar may be produced by a person holding permit to produce vinegar under this section.

(d) A person holding permit for such purposes may manufacture vinegar from cider produced by him, or he may procure, for use in the manufacture of vinegar, cider from other persons authorized to manufacture it or tax-paid wine from bonded wineries. To procure either cider or wine containing as much as one-half of 1 per cent of alcohol by volume, a permit to purchase, Form 1410A, is required. If such cider is to be procured from a person who has produced it without permit pursuant to the provisions of section 35(a), the permit to purchase and the application therefor should be modified by using the words "home production" in place of the permit number of the vendor in the space for such number. If the cider procured from a person who has manufactured it exclusively for use in his own home contains less than one-half of 1 per cent of alcohol by volume, it may be sold and transported to the plant of the vinegar manufacturer without permit, or a permit to purchase may be issued on the application of the vinegar manufacturer. Vinegar and vinegar stock as defined in section 34(d) may be sold and transported without obtaining a permit to purchase.

(e) Vinegar may be produced from alcohol lawfully denatured by the oxidation of such denatured alcohol in oxidizing or generating plants, without the necessity of obtaining permits under this article, upon compliance with the provisions of Regulations 61.

(f) Persons operating bonded wineries may convert wines into vinegar upon such premises without obtaining permit for such purpose, provided that upon removal from such premises the product contains 1½ per cent or more of acetic acid and is treated as vinegar stock and not sold or used as wine. Before removing such product from the bonded premises application should be made to the collector on Form 1415 for permission to make such removal, accompanied by a signed copy of the chemical analysis of the material, showing the percentage of acetic acid contained therein. Such vinegar may be removed from the winery free of tax and proper credit taken on the records kept at the winery.

SEC. 41. Persons manufacturing intoxicating liquors under permit must keep a record of the amount manufactured as well as the date of manufacture and must show upon such record the disposition of all liquor manufactured by them.

SEC. 42. Containers of all intoxicating liquor manufactured for sale as such under this article must immediately upon manufacture be labeled in accordance with Article XVIII to show the following:

1. Name of manufacturer.
2. Date of manufacture.
3. Serial number of permit authorizing manufacture.
4. Kind and quantity of contents.

D. H. BLAIR,
Commissioner of Internal Revenue.

Approved: July 19, 1923.

S. P. GILBERT, Jr.,
Acting Secretary of the Treasury.

RESPONDENT'S EXHIBIT NO. 2.

UNITED STATES *v.* HILL.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., April 26, 1922.

Maj. R. A. HAYNES,
Prohibition Commissioner,
Bureau of Internal Revenue,
Washington, D. C.

DEAR SIR: Inclosed herewith copy of H. R. 11410, providing for the creation of Federal local option districts coordinate with existing congressional districts, and a vote next November in each of such districts on the question of the liberalization of the national prohibition act as to 2.75 per cent beer and 2.75 per cent cider (including dandelion wine and other such fruit and vegetable beverages).

It was recently stated on the floor of the Maryland House of Representatives that the rules of your office permitted the possession and consumption in the home of cider with an alcoholic content of from 6 to 8 per cent. This statement was denied, and other conflicting statements in reference to this matter were made.

Therefore I desire to ask officially, your reply to be used by me before the Ways and Means Committee in asking a hearing on the above-entitled bill, the following questions:

1. Under the national prohibition act, what is the percentage of alcohol permitted by your office for use in the home as "nonintoxicating"? I desire also to ask specifically whether cider containing 2.75 per cent of alcohol by volume is permissible for use in the home; and

2. Whether the same can be transported; and

3. Whether the same can be sold?

I shall be greatly obliged if I may promptly receive this information together with any and all regulations of your office relating to the use of cider containing an alcoholic content of one-half of 1 per cent or over.

The information furnished by you I desire to be in such form as to be available for use by me either before the House of Representatives itself or before any of its committees.

Very truly yours,

JOHN PHILIP HILL,
Member of Congress.

TREASURY DEPARTMENT,
BUREAU OF INTERNAL REVENUE,
OFFICE OF FEDERAL PROHIBITION COMMISSIONER,
Washington, May 2, 1922.

Hon. JOHN PHILIP HILL,
House of Representatives.

MY DEAR MR. HILL: Receipt is acknowledged of your letter of April 26, 1922, inclosing copy of a bill, H. R. 11410, introduced by you on April 24, 1922, for the amendment of the revenue act of 1921 by the addition of a new section, No. 604, to title 6 thereof, imposing taxes on beverages and constituents thereof. The bill would establish Federal local option districts and defines beer and cider for referendum purposes as nonintoxicating when containing not more than 2.75 per cent of alcohol by volume, and provides for a tax thereon.

The questions submitted by you are answered in the order in which stated, as follows:

1. Under the provisions of section 29 of title 2 of the national prohibition act this office has ruled that cider and other nonintoxicating fruit juices, manufactured exclusively for use in the home of the maker, are not necessarily limited to less than one-half of 1 per cent of alcohol by volume, but must be intoxicating, in fact, to be in violation of the national prohibition act. No specific alcoholic limit has been publicly fixed. As at present advised, this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume.

2. Cider or other fruit juices, nonintoxicating in fact, made exclusively for use in the home of the maker may be moved under permit from one residence of the producer to another. However, if cider or fruit juice for use in the home of the maker is manufactured otherwise than in the home it must be removed to the home before the alcoholic content reaches one-half of 1 per cent.

3. Under the provisions of section 29 of Title II of the national prohibition act, nonintoxicating cider and other fruit juices made exclusively for use in the home may be sold only to vinegar makers who hold permits and pursuant to permits to purchase. The sale for beverage purposes, in the home or elsewhere, of cider or other fruit juices containing one-half of 1 per cent or more of alcohol by volume, or for such purposes after such alcoholic content has developed, is not permissible.

As requested by you, there are inclosed herewith one copy each of regulations 60, Treasury Decisions 3033 and 3077 (Pro. Mims. 84, 127, and 135), and a statement to the press dated September 20, 1921. The prohibition mimeographs and the press statement relate more particularly to the manufacture of cider and other nonintoxicating fruit juices for use in the home exclusively. Particular attention is also called to sections 1, 3, 4, 6, 12, 17, 18, 19, and 29 of Title II of the national prohibition act, the text of which will be found in the appendix of regulation 60. Attention is also invited to articles 2, 3, 5, and 8 of the regulations. Treasury Decision 3033 relates in part to penal sums of bonds for cider makers. Treasury Decision 3077 places the burden of proof on the manufacturer of cider and other similar alcoholic beverages or liquids to show that the alcoholic content was less than one-half of 1 per cent at the time of removal from the place of manufacture, in case such liquid is found on the market containing one-half of 1 per cent or more of alcohol by volume.

Sincerely yours,

R. A. HAYNES,
Prohibition Commissioner.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., June 12, 1922.

Mr. ROY A. HAYNES,
Prohibition Commissioner,
Bureau of Internal Revenue,
Treasury Department, Washington, D. C.

DEAR SIR: On May 2, answering my inquiry of April 26, you advised me officially that your office had ruled that cider and other alcoholic fruit juices manufactured exclusively for use in the home "are not necessarily limited to less than one-half of 1 per cent of alcohol by volume, but must be intoxicating in fact to be in violation of the national prohibition act." You then continued with the following official statement:

"No specific alcoholic limit has been publicly fixed. As at present advised, this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume."

I have read with great interest your memorandum for Commissioner Blair, of June 7, 1922, released for publication in the papers of this morning, in which you attach a summary of the activities of the prohibition unit during the first year of your incumbency. I note with especial interest your remarks concerning the reorganization of your Washington office and the prohibition forces in the United States, and especially your statement prepared for publication, in which you say to Commissioner Blair, "And finally, Mr. Commissioner, I am gratified to inform you that in spite of the tremendous volume of business now being transacted by this unit, the work is practically current, not only in the Washington office but also in the various offices scattered throughout the United States, a few exceptions being noteworthy."

Your office having been reorganized and your work being up to date, I am writing to ask you whether your statement of May 2 remains in force, that "no specific alcoholic limit has been publicly fixed" for cider and other alcoholic fruit juices.

At this season of the year, I am informed, the women of my district are making homemade grape wines, and they will soon be making blackberry cordials and other homemade beverages; also at this season of the year my farmer friends in Maryland are preparing to make their cider. I therefore ask you for an official definition of what is a "nonintoxicating fruit juice." You have already advised me that your office is not disposed to take action against the manufacture for use in the home of the maker of cider and other fruit juices containing not more than 2.75 per cent of alcohol by volume. Will you be good enough to advise me whether your office has yet changed its ruling that "no specific alcoholic limit has been publicly fixed"? I think the time has come when you should fix a specific alcoholic limit for cider and other nonintoxicating fruit juices for the information of the housewives and farmers of Maryland and other States. I should be obliged for a prompt and specific reply.

Yours very truly,

JOHN PHILIP HILL,
Member of Congress.

TREASURY DEPARTMENT,
BUREAU OF INTERNAL REVENUE,
OFFICE OF FEDERAL PROHIBITION COMMISSIONER,
Washington June 20, 1922.

Hon. JOHN PHILIP HILL,
House of Representatives.

MY DEAR MR. HILL: Receipt is acknowledged of your letter of June 12, 1922, in which you make inquiry as to whether or not this office has fixed a specific alcoholic limit for nonintoxicating cider and fruit juices under the exempting provision of section 29 of Title II of the national prohibition act.

You urge that such limitation be now fixed by this office.

In regard thereto you are informed that this office does not deem it expedient to fix such limitation, in view of the fact that Congress has not done so and the courts have not as yet definitely settled the question.

Sincerely yours,

R. A. HAYNES,
Prohibition Commissioner.

(Copy attached.)

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, D. C., June 27, 1922.

The FEDERAL PROHIBITION COMMISSIONER,
Bureau of Internal Revenue, Treasury Department,
Washington, D. C.

DEAR SIR: I have your letter of June 20, in which you state that your office has not fixed a specific alcoholic limitation for so-called

nonintoxicating cider and fruit juices under the exempting provision of section 29 of Title II of the national prohibition act. I note the position taken in your letter to the effect that your office "does not deem it expedient to fix such limitation, in view of the fact that Congress has not done so and the courts have not as yet definitely settled the question."

On June 5 I received a letter from the Secretary of the Treasury concerning charges I have filed against you in your official capacity in which he stated that these charges had been referred to the Commissioner of Internal Revenue for investigation. On the same day I wrote to the Commissioner of Internal Revenue, in part as follows:

"I take this occasion to add an additional specification to the previous charge against Prohibition Commissioner Haynes. I charge that he has flagrantly failed to enforce the provisions of the Volstead Act in reference to the manufacture of homemade cider.

"In an official letter to me of May 2, 1922, in answer to a question propounded by me and stated by me to be asked for the purpose of using in the House of Representatives or before some committee of Congress, the prohibition commissioner stated:

"'Under the provisions of section 29 of Title II of the national prohibition act this office has ruled that cider and other nonintoxicating fruit juices, manufactured exclusively for use in the home of the maker, are not necessarily limited to less than one-half of 1 per cent of alcohol by volume, but must be intoxicating in fact to be in violation of the national prohibition act. No specific alcoholic limit has been publicly fixed. As at present advised, this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume.'"

I presume that your letter to me of June 20 contains an answer to the above charge against you when you say that your "office does not deem it expedient to fix such limitation in view of the fact that Congress has not done so."

In order to meet this statement I at once introduced H. R. 12141, a bill to amend the national prohibition act by putting cider and beer on precisely the same basis.

Under your ruling, as stated in your letter to me of May 2, your "office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume."

You justify this ruling by the provisions of section 29 of Title II of the national prohibition act, which at present provides that "the penalties provided in this act against the manufacture of liquor without a permit shall not apply to a person for manufacturing nonintoxicating cider and fruit juices exclusively for use in the home."

H. R. 12141 inserts the word "beer" after the word "cider," and should this amendment to the national prohibition act be adopted, would bring beer under your ruling and would permit the manufacture for use in the home of the maker of beer as well as cider and other fruit juices containing not more than 2.75 per cent of alcohol by volume.

Since you have made no effort to have legislation passed by Congress to change the above ruling in reference to cider I assume that you are in favor of putting beer on the same equality. I therefore request that you give to me for presentation to the Judiciary Committee of the House of Representatives an official communication as to whether or not you favor the extension of your liberal ruling on cider to beer, giving the reasons why you favor or oppose putting beer and cider on precisely the same basis.

I shall be obliged for a prompt response on this matter since I desire to take up the matter with the Judiciary Committee prior to the proposed recess on Saturday, July 1.

Very truly yours,

JOHN PHILIP HILL,
Member of Congress.

TREASURY DEPARTMENT,
BUREAU OF INTERNAL REVENUE,
OFFICE OF FEDERAL PROHIBITION COMMISSIONER,
Washington, July 3, 1922.

Hon. JOHN PHILIP HILL,
House of Representatives.

MY DEAR MR. HILL: Receipt is acknowledged of your letter of June 27, 1922, inclosing copies of the proposed bill, designated as H. R. 12141, which apparently is designed to amend the national prohibition act and authorize the manufacture, sale, and use of malt liquors containing 2.75 per cent of alcohol by volume for beverage purposes.

Reference is also made in your letter to the communication addressed you by this office on May 2, 1922, which contains the statement that "as at present advised, this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume."

In a letter addressed you on June 20, 1922, the statement was made that this office does not deem it expedient to fix a limit or percentage of alcohol by volume which will render nonintoxicating fruit juices manufactured exclusively for use in the home as provided by section 29 of Title II of the national prohibition act intoxicating in fact. This office adheres to the ruling contained in the letter of June 20, 1922.

Relative to the declaration in letter of May 2, 1922, that this office would not proceed against persons manufacturing cider or other fruit juices containing as much as 2.75 per cent of alcohol by volume, this statement was embodied by the draftsman under a misapprehension of the position of this office, as such is not its view, and no instructions to that effect have been promulgated.

Relative to the indorsement or approval of proposed H. R. 12141 you are informed that this office is not disposed to approve the insertion of the word "cider" between the words "beer and ale" wherever such words occur in section 1 of Title II of the national prohibition act, or to insert the word "beer" after the word "cider" wherever same occurs in section 29 of said act.

The reasons for declining to approve your proposed measure are as follows:

The provisions for manufacturing nonintoxicating cider and fruit juices exclusively for use in the home differ very materially from the manufacture of malt liquors, such as beer, ale, and porter, exclusively for use in the home or elsewhere.

It has been the practice from time immemorial for farmers and other householders in rural communities to manufacture cider for conversion into vinegar, which is a condiment for family use, and also to manufacture grape and other fruit juices, which are frequently sterilized and preserved in sealed glass containers for family use. The manufacture of malt liquor, such as beer, ale, and porter, in the home by the housewife for family use has seldom, if ever, been practiced until the advent of local or national prohibition. They have always been used as beverages and have practically no use for conversion into condiments such as vinegar. Furthermore, it is entirely impracticable to make a satisfactory and wholesome malt liquor in the home, and the course suggested by you would necessarily mean the manufacture of the malt liquors in breweries and further amendments to laws to provide for their distribution, sale, and use with or without tax payment.

This office has not recommended liberalization or amendment of the national prohibition act on its own initiative, since such course is wholly at variance with the departmental rules and practice.

Sincerely yours,

R. A. HAYNES,
Prohibition Commissioner.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON MILITARY AFFAIRS,
Washington, August 15, 1922.

Mr. ROY A. HAYNES,
Prohibition Commissioner, Treasury Department,
Washington, D. C.

SIR: The House of Representatives reconvening to-day, I have made a careful check of my mail to find whether, further answering my letter of June 27, your office has yet promulgated for the information of the American housewives any interpretation of section 29 of title 2 of the Volstead Act, relating to cider and other nonintoxicating fruit juices.

During the recess of the House of Representatives I have been in touch with housewives all over Maryland and in Baltimore city, and find that they are universally desirous of knowing what section 29 of the Volstead Act means, in order that they may guide themselves in the preparation of homemade beverages for winter use.

I therefore repeat to you the question contained in my letter of April 26, 1922, you having in your letter of July 3 disclaimed the information on this subject given to me in your official letter of May 2.

In my letter of April 26, 1922, I said: "I desire to ask officially, your reply to be used by me before the Ways and Means Committee, the following question: 'Under the national prohibition act, what is the percentage of alcohol permitted by your office for use in the home as nonintoxicating?'"

In your letter to me of July 3 you stated:

"Reference is also made in your letter to the communication addressed you by this office on May 2, 1922, which contains the statement that 'as at present advised, this office is not disposed to take action against the manufacture for use in the home of the maker of cider or other fruit juices containing not more than 2.75 per cent of alcohol by volume.'"

You then retracted the above statement made by your office in the following language:

"Relative to the declaration in letter of May 2, 1922, that this office would not proceed against persons manufacturing cider or other fruit juices containing as much as 2.75 per cent of alcohol by volume, this statement was embodied by the draftsman under a misapprehension of the position of this office, as such is not its view, and no instructions to that effect have been promulgated."

Will you kindly give me a corrected answer to my question propounded on April 26, "What are the regulations of your office in reference to section 29 of Title II of the Volstead Act?" Also, under the national prohibition act, what is the percentage of alcohol permitted by your office for use in home brews as "nonintoxicating"?

Yours very truly,

JOHN PHILIP HILL,
Member of Congress.

TREASURY DEPARTMENT,
OFFICE OF THE FEDERAL PROHIBITION COMMISSIONER,
BUREAU OF INTERNAL REVENUE,
Washington, August 31, 1922.

Hon. JOHN PHILIP HILL,
House of Representatives.

MY DEAR MR. HILL: Replying to your letter of August 15, 1922, you are informed that such information as this office is able to furnish in regard to the manufacture of nonintoxicating cider and fruit juices for use in the home exclusively, under section 29 of Title II of the national prohibition act, is contained in the letter addressed you on May 2, 1922, as modified by the letters of June 20 and July 8, 1922.

As stated in the letter addressed you on June 20, 1922, inasmuch as neither the Federal Congress nor the courts have as yet decided what alcoholic content renders such fruit juices intoxicating, this office does not deem it expedient to fix such limitation by regulations.

Sincerely yours,

R. A. HAYNES,
Prohibition Commissioner.

SEPTEMBER 11, 1922.

The honorable the ATTORNEY GENERAL OF THE UNITED STATES,
Washington, D. C.

SIR: Since April 26, 1922, in order that the people of my district might know and thus be able to obey the law, I have endeavored to obtain from the Federal prohibition commissioner an answer to the following simple question: "Under section 29, Title II, of the Volstead Act, what is the percentage of alcohol permitted in home-brew as 'nonintoxicating'?"

To-day, on my return to Washington, I find a letter from the Federal prohibition commissioner, dated August 31, 1922, copy inclosed, in which he finally admits that he does not know. He expresses his ignorance in the following language, "inasmuch as neither the Federal Congress nor the courts have as yet decided what alcoholic content renders such fruit juices intoxicating, this office does not deem it expedient to fix such limitation by regulation."

An official who does not know the law, and who makes no attempt to find out the law, can not possibly enforce it. On April 26, 1921, I introduced a bill transferring enforcement of the Volstead Act from the Federal prohibition commissioner to the Department of Justice (H. R. 5220), in the following words: "The Attorney General of the United States, his assistants, agents, and inspectors shall investigate and prosecute violations of this act and shall have entire execution of all portions thereof which do not directly relate to the raising of revenue for the United States. All provisions of the national prohibition act relating to its enforcement inconsistent herewith are hereby repealed."

The Anti-Saloon League opposes this logical measure, and it is perhaps for this reason that the Federal prohibition commissioner, who acts in sympathetic coordination with W. B. Wheeler et al., has not asked the Department of Justice for a construction of section 29, Title II, of the Volstead Act.

On behalf of the public, I therefore request that you instruct the Federal prohibition commissioner what is meant by section 29, Title II, of the Volstead Act. I inclose copy of my correspondence with him on this subject. You will observe from this correspondence that while citizens are being arrested for possessing 2.75 beer the Anti-Saloon League of Maryland advises my constituents that "the present regulations made in pursuance of the Volstead Act permit the farmer to have cider and let it ferment and become intoxicating, allows him to drink it in his home, or give it to his friends when they drop in."

Such statements as this, unless correct, encourage unwitting violations of the Volstead Act on the part of people who desire to obey all laws. The Federal prohibition commissioner can not tell me whether the above statement is correct. He says he does not know. As a Representative in the Congress of the United States, I request that you advise him.

Respectfully,

JOHN PHILIP HILL,
Member of Congress.

DEPARTMENT OF JUSTICE,
Washington, D. C., September 14, 1922.

Hon. JOHN PHILIP HILL,
House of Representatives, Washington, D. C.

DEAR MR. HILL: This will acknowledge receipt of your letter of September 11, 1922, addressed to the Attorney General, which has been referred to me for attention and reply, in which you request that the Attorney General instruct the Federal prohibition commissioner as to what is meant by section 29, Title II, of the national prohibition act. You refer to certain statements which have been made concerning the above-mentioned provision of law and request that, since the Federal prohibition commissioner declines to fix by regulation the alcoholic limitation permitted by section 29, the Attorney General advise him in this regard. Compliance with your request would entail the giving of advice or the issuance of instructions by this department to the Federal prohibition commissioner.

As you are fully aware, the Federal prohibition commissioner is an officer of the Bureau of Internal Revenue of the Treasury Department and is therefore an officer over which this department has no administrative control. For this reason this department can not with propriety seek to instruct the Federal prohibition commissioner.

Under the law prescribing the duties of the Attorney General he is permitted to render official opinions only to the President and the heads of the several executive departments of the United States. This rule has been repeatedly declared by this department, and in 1878 was well expressed by former Attorney General Devens, as follows:

"The authority of the Attorney General to render his official opinion is limited by the laws which create and define his office and does not permit him to give advice at the call of either House of Congress or of Congress itself, but only to the President or the head of an executive department of the Government. The absence of authority to respond to calls for legal opinions coming from sources other than those prescribed by law was early in the history of the Government suggested * * * by the then Attorney General, Mr. Wirt, * * * and no change in this respect has been made by the law creating the Department of Justice. This view thus taken has been invariably observed by my predecessors, including Attorneys General Taney, Crittenden, Bates, Evarts, and Williams. (15 Ops. A. G., 475, 476.)"

In view of the above I think you will agree that it would be highly improper for this department to advise or instruct the Federal prohibition commissioner in regard to his duties under a law the administrative enforcement of which is placed in the hands of the commissioner of internal revenue of the Treasury Department.

Respectfully, for the Attorney General,

MABEL WALKER WILLEBRANDT,
Assistant Attorney General.

SEPTEMBER 16, 1922.

The honorable the SECRETARY OF THE TREASURY,
Treasury Department, Washington, D. C.

SIR: The Department of Justice advises me that it can not instruct the Federal prohibition commissioner as to what the Volstead Act means, for the reasons given in the letter dated September 14, 1922, from the Assistant Attorney General, Mabel Walker Willebrandt (copy annexed), and in reply to my letter of September 11, asking that the Attorney General instruct the Federal prohibition commissioner how to answer the following simple question: "Under section 29, Title II, of the Volstead Act, what is the percentage of alcohol permitted in home-brew as nonintoxicating?"

The Department of Justice advises me that the Federal prohibition commissioner is an officer of the Treasury Department, and therefore not under the administrative control of the Department of Justice, and for this reason the Department of Justice "can not with propriety seek to instruct the Federal prohibition commissioner." I am therefore forced to request that you direct either the Solicitor of the Treasury, who is one of your subordinates, or the Solicitor of Internal Revenue, who is another of your subordinates, to advise the Federal prohibition commissioner what is meant by section 29, Title II, of the national prohibition act. I inclose herewith copy of my letter of September 11 to the Department of Justice, in which I quoted the reply of the Federal prohibition commissioner dated August 31, 1922, in which he proves his ignorance of the Volstead Act in the following language: "Inasmuch as neither the Federal Congress nor the courts have as yet decided what alcoholic content renders such fruit juices (including cider) intoxicating, this office does not deem it expedient to fix such limitation by regulation."

As I pointed out to the Attorney General, an official who does not know the law and who makes no attempt to find out the law can not possibly enforce it. I have already asked you for the removal of Prohibition Commissioner Haynes on the ground that he did not know the law. I am advised that in spite of this the Federal prohibition commissioner is proposing to subject the manufacturers of cereal beverages to the same stringent regulations as now apply to the manufacturers of industrial alcohol, while admitting his inability to proceed against the manufacturers of cider.

May I request that the law officers of the Treasury Department promptly advise the prohibition commissioner what is meant by section 29, Title II, of the Volstead Act, in order that the Anti-Saloon League of Maryland may cease to encourage law violations by my constituents that "the present regulations made in pursuance of the Volstead Act permit the farmer to have cider and let it ferment and

become intoxicating, allows him to drink it in his home, or give it to his friends when they drop in."

Respectfully yours, JOHN PHILIP HILL,
Member of Congress.

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
September 22, 1922.

Hon. JOHN PHILIP HILL,
House of Representatives.

MY DEAR MR. HILL: Your letter of September 16 has been referred to Mr. J. J. Britt, who is the legal adviser of the Prohibition Commissioner, with the request that he construe for Commissioner Haynes section 29, Title II, of the Volstead Act.

You state in your letter that this request was made "in order that the Anti-Saloon League of Maryland may cease to encourage law violations by advising my constituents that 'the present regulations made in pursuance of the Volstead Act permit the farmer to have cider and let it ferment and become intoxicating, allows him to drink it in his home or give it to his friends when they drop in.'" Mr. Britt is not the legal adviser of the Anti-Saloon League of Maryland, and the prohibiton unit has no authority to advise the Anti-Saloon League of Maryland on legal matters or to control its actions.

A sincere effort is being made to enforce the eighteenth amendment and the Volstead Act, and the commissioner will be advised as to the meaning of the section to which you call attention.

Yours very truly,

A. W. MELLON, *Secretary.*

SEPTEMBER 26, 1922.

The FEDERAL PROHIBITION COMMISSIONER,
Treasury Department, Washington, D. C.

SIR: I am in receipt of a letter from the Secretary of the Treasury dated September 22, 1922, reading as follows:

"Your letter of September 16 has been referred to Mr. J. J. Britt, who is the legal adviser of the Prohibition Commissioner, with the request that he construe for Commissioner Haynes section 29, Title II, of the Volstead Act.

"You state in your letter that this request was in order that the Anti-Saloon League of Maryland may cease to encourage law violations by advising my constituents that 'the present regulations made in pursuance of the Volstead Act permit the farmer to have cider and let it ferment and become intoxicating; allows him to bring it in his home or give it to his friends when they drop in.' Mr. Britt is not the legal adviser of the Anti-Saloon League of Maryland, and the prohibition unit has no authority to advise the Anti-Saloon League of Maryland on legal matters or to control its actions.

"A sincere effort is being made to enforce the eighteenth amendment and the Volstead Act, and the commissioner will be advised as to the meaning of the section to which you call attention."

Will you be good enough to advise me whether your legal adviser, in accordance with the instructions of the Secretary of the Treasury, has advised you as to the construction of section 29, Title II, of the Volstead Act, and tell me what regulations you have issued as a result of such advice for the enforcement of this section, which relates to the alcoholic content of cider and nonintoxicating fruit juices? I have been endeavoring to obtain this information since April 26, and will be obliged to you for a prompt response.

Yours very truly, JOHN PHILIP HILL,
Member of Congress.

TREASURY DEPARTMENT,
OFFICE OF THE FEDERAL PROHIBITION COMMISSIONER,
BUREAU OF INTERNAL REVENUE,
Washington, September 29, 1922.

Hon. JOHN PHILIP HILL,
House of Representatives.

MY DEAR MR. HILL: Receipt is acknowledged of your letter of September 26, 1922, in which inquiry is made as to whether or not, at the instance of the Secretary of the Treasury, Mr. J. J. Britt, the counsel of the prohibition unit, has rendered any opinion to the commissioner of prohibition as to the proper interpretation of section 29 of Title II of the national prohibition act, pertaining to the making of nonintoxicating cider and other fruit juices, exclusively for use in the home, which would serve as a basis for regulations on the subject or instructions to the head of the Anti-Saloon League of the State of Maryland.

In regard thereto you are informed that from a careful examination of the files of this office it does not appear that Mr. Britt has rendered any such opinion, and no new regulations have been issued on the subject or information furnished the head of the Anti-Saloon League of the State of Maryland pursuant to such opinion.

You have heretofore been furnished with full information, and such regulations as have been issued on this subject, and there has been no departure therefrom since you were informed by letters in regard thereto. The information heretofore furnished you is such as is furnished to all persons interested in the subject, and is in accordance with the views of the best-informed officials as to the proper interpretation of section 29 of Title II of the national prohibition act.

Every effort has been made by the officials of this office to so interpret the law as to give full force and effect to the national prohibition act, and in accordance with the intent of the Congress of the United States as determined from the statute.

Sincerely yours, R. A. HAYNES,
Prohibition Commissioner.

[Telegram.]

712 KEYSER BUILDING,
Baltimore, Md., October 9, 1922.

Mr. ROY A. HAYNES,
Prohibition Commissioner, Treasury Department,
Washington, D. C.:

Referring to your letter September 29, please wire me to-day, 712 Keyser Building, Baltimore, whether, in accordance with instructions of Secretary of Treasury, Mr. Britt has rendered you opinion and you can advise me of proper interpretation of section 29, Title II, of national prohibition act.

JOHN PHILIP HILL,
Member of Congress.

[Telegram.]

WASHINGTON, D. C., *October 9, 1923.*

Hon. JOHN PHILIP HILL,
712 Keyser Building, Baltimore, Md.:

Question of legal status of cider and unfermented fruit juices submitted to Attorney General by Secretary Mellon. Opinion not yet handed down.

JONES, *Acting Prohibition Commissioner.*

[Telegram.]

WASHINGTON, D. C., *October 20, 1922.*

Hon. JOHN PHILIP HILL,
Baltimore, Md.:

Your wire 19th. Britt was directed to construe section 29, Title II, for Commissioner Haynes. He preferred to have Attorney General pass on matter and promptly referred it to that office. Department Justice has this day been requested to expedite opinion.

MELLON, *Secretary.*

[Telegram.]

BALTIMORE, *October 20, 1922.*

The honorable the ATTORNEY GENERAL,
Department of Justice, Washington, D. C.:

The Secretary of the Treasury advises me under date of 20th that he has requested from you a construction of section 29, Title II, of the Volstead Act for the information of Federal Prohibition Commissioner Haynes, concerning which I asked you for an opinion some time ago. The Secretary of the Treasury advises me that he has requested you to expedite this opinion. Will you please wire me, Keyser Building, Baltimore, at my expense, copy of your opinion for use at meeting to-morrow night? Under section 29, Title II, of the Volstead Act, can cider of an alcoholic content of 2.75 per cent be legally made and used as a beverage in the home?

JOHN PHILIP HILL,
Member of Congress.

[Telegram.]

WASHINGTON, D. C., *October 20, 1922.*

JOHN PHILIP HILL,
Keyser Building, Baltimore, Md.:

Opinion re alcoholic content cider not yet rendered.

DAUGHERTY.

MARCH 3, 1923.

Mr. ROY A. HAYNES,
Federal Prohibition Commissioner,
Treasury Department, Washington, D. C.

SIR: I inclose herewith resolution which I have introduced in the House of Representatives, directing you to transmit to the House copies of all rules and regulations in force relating to the enforcement of the national prohibition act. This being purely a House resolution, concurrence of the Senate is not necessary, and I am hoping to get this resolution through to-day or to-morrow, since I can not conceive any serious opposition to advising the public of the rules of your office, concerning which there is much uncertainty at the present time.

Since April, 1921, I have been trying to obtain from you a ruling as to what the word "nonintoxicating" means in Title II, section 29, of the Volstead Act, and what are the regulations of your office

concerning the amount of alcohol permitted in cider and home-made wines before the same are to be considered "intoxicating" under the Volstead Act.

The Secretary of the Treasury advised me that he had asked the Attorney General for a ruling on this subject. The Attorney General advised me he had not yet rendered such an opinion. Could you advise me if such an opinion has been rendered as yet, and send me a copy of the opinion?

If, due to the press of business in the closing days of the House, the inclosed resolution (H. Res. 572) does not pass, I hope you will send me a compilation of the rules and regulations referred to in this resolution.

It is impossible for the general public to obey the Volstead Act unless they know what the act means. I therefore urge you to use your influence with the Judiciary Committee of the House, to which this resolution has been referred, for action on this resolution to-day or to-morrow. I am sending you this letter by special messenger.

Yours very truly,

JOHN PHILIP HILL,
Member of Congress.

House Resolution 572.

Whereas there is considerable demand for a compilation of the rules and regulations now in force relating to the enforcement of national prohibition: Therefore be it

Resolved, That the Federal Prohibition Commissioner be directed to transmit to the House copies of all such rules and regulations now in force.

Resolved further, That the Government Printing Office be authorized to print 50,000 copies of such rules and regulations, and that 100 copies be allotted to each Member of the House.

TREASURY DEPARTMENT,
OFFICE OF THE FEDERAL PROHIBITION COMMISSIONER,
BUREAU OF INTERNAL REVENUE,
Washington, March 5, 1923.

Hon. JOHN PHILIP HILL,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I acknowledge receipt of your communication of March 3, delivered by special messenger, calling for a copy of all the rules and regulations of this unit and referring to the requested opinion of the Attorney General as to the allowable per cent of alcoholic strength in cider and unfermented fruit juices, and in reply have to say that I shall be very glad to have assembled and sent to you a copy of 11 existing regulations and decisions governing the administrative business of this unit. As to the opinion of the Attorney General, it has not yet been rendered, but I am to-day informally advised that it may be expected soon, and as early as it is received and printed I shall be glad to furnish you a copy of it also.

Very truly yours,

R. A. HAYNES,
Prohibition Commissioner.

MAY 16, 1923.

The honorable the SECRETARY OF THE TREASURY,
Treasury Department, Washington, D. C.

SIR: On October 20, 1922, you advised me that Judge Britt had been directed to construe section 29, Title II, of the Volstead Act for Commissioner Haynes "but that he preferred to have the Attorney General pass on the matter and promptly referred it to that office. The Department of Justice has this day been directed to expedite opinion."

The same day I wired the Attorney General, "The Secretary of the Treasury advises me that he has requested you to expedite this opinion. Will you please wire me. Under section 29, Title II, of the Volstead Act, can cider of an alcoholic content of 2.75 per cent be legally made and used as a beverage in the home?"

On the same day I received the following telegram from the Attorney General. "Opinion re alcoholic content cider not yet rendered."

On March 5, 1923, in response to further inquiry, Prohibition Commissioner Haynes advised me, "As to the opinion of the Attorney General, it has not yet been rendered but I am to-day informally advised that it may be expected soon, and as early as it is received and printed, I shall be glad to furnish you a copy of this also."

It is now seven months since your department asked the Department of Justice to expedite this opinion. Law-abiding citizens in my district are entitled to know what kind of cider and fruit juices they can legally make in their homes as nonintoxicating. I am entirely unable to obtain any information from the Federal prohibition commissioner, and am, therefore, writing to you to ask if the Attorney General has rendered the opinion, the expedition of which you requested on October 20, 1922.

Very respectfully,

JOHN PHILIP HILL,
Member of Congress.

TREASURY DEPARTMENT,
Washington, June 4, 1923.

Hon. JOHN PHILIP HILL,
712 Keyser Building, Baltimore, Md.

MY DEAR CONGRESSMAN: Replying to your letter of May 16 relative to an opinion of the Attorney General on the right to manufacture cider and nonintoxicating fruit juices, I have to say that request was made several months ago for an opinion on the law involved in the subject by the Attorney General. For some reason this opinion seems not to have been rendered, and Mr. James J. Britt, counsel for the prohibition unit, has been directed to prepare an opinion on the subject, and I am informed that regulations embodying the subject are being formulated by the prohibition unit which will be available in time for the cider season for this summer and fall.

Very truly yours,

A. W. MELLON,
Secretary of the Treasury.

AUGUST 22, 1923.

The PROHIBITION COMMISSIONER,
Treasury Department, Washington, D. C.

SIR: On June 4, 1923, in answer to my repeated inquiries as to the meaning of section 29 of the Volstead Act, the Secretary of the Treasury advised me that "regulations embodying the subject are being formulated by the prohibition unit which will be available in time for the cider season for this summer and fall."

On July 26, Article V of regulations 60 was amended and new regulations published, in accordance with this statement.

Under these regulations, before any person can make in his or her home any amount of fruit juice "any part of which may ferment so as to contain as much as one-half of 1 per cent of alcohol" notice must be given on Form 1541 to the collector of internal revenue, a copy of this notice filed with the director, and one copy retained by the producer. The production of the smallest amount otherwise is declared to be a violation of the Volstead Act.

Your regulations further provide that only "a head of a family" may make such fruit juices, the right to make such being denied to "a single person" and to "a married man living apart from his family."

As head of a family and living with such family, I have therefore to-day forwarded to the collector of internal revenue the following notice, serving also a copy upon the prohibition director, and retaining another copy for myself, as required:

(Form 1541.)

To COLLECTOR OF INTERNAL REVENUE,
District of Maryland.

SIR: I, JOHN PHILIP HILL, 3 West Franklin Street, Baltimore, Md., hereby give notice that on or about noon, September 7, 1923, I intend to commence producing nonintoxicating fruit juices exclusively for use in my home, and not to be otherwise removed, consumed, sold, or delivered, and that I do not intend to produce more than 200 gallons of such fruit juices during the year for which this notice is given and is in effect.

I further state that if I produce or have on hand at any one time more than 200 gallons of fruit juices containing as much as one-half of 1 per cent of alcohol by volume I will give timely notice thereof on Form 698 and execute a bond, as required by T. D. 2765, and will further comply with the provisions of the internal revenue and prohibition laws and regulations of the United States.

JOHN PHILIP HILL.

Dated at Baltimore, August 22, 1923.

These regulations provide for the manufacture of a beverage containing "as much as one-half of 1 per cent of alcohol." For nearly two years I have been attempting to ascertain from you the meaning of the word "nonintoxicating" as used in Title II, section 29, of the Volstead Act.

I expected a ruling on this matter in accordance with the advice of the Secretary of the Treasury contained in his letter to me of June 4. The new regulations, however, after quoting section 29 of the Volstead Act in reference to nonintoxicating cider and fruit juices, merely define "nonintoxicating" as "nonintoxicating."

Your regulations contemplate that these juices will be subject to "alcoholic fermentation." At what point must I or other married heads of families "prevent further alcoholic fermentation"?

Will you please advise me what per cent of alcohol is permitted in "nonintoxicating" cider and fruit juices under your new regulations?

Yours very truly,

JOHN PHILIP HILL,
Member of Congress.

TREASURY DEPARTMENT,
INTERNAL REVENUE SERVICE,
Baltimore, Md., August 23, 1923.

Hon. JOHN PHILIP HILL,
House of Representatives, Washington, D. C.

DEAR SIR: I wish to acknowledge receipt of your communication, received August 22, signed by you, to the following effect:

"I, JOHN PHILIP HILL, 3 West Franklin Street, Baltimore, Md., hereby give notice that on or about noon, September 7, 1923, I intend to commence producing nonintoxicating fruit juices exclusively for use in my home and not to be otherwise removed, consumed, sold, or delivered, and that I do not intend to produce more than 200 gallons of such fruit juices during the year for which this notice is given and is in effect. I further state that if I produce or have on hand at any time more than 200 gallons of fruit juices containing as much as one-half of 1 per cent of alcohol by volume, I will give timely notice thereof on Form 698 and execute a bond, as required by Treasury Decision 2765, and will further comply with the provisions of the internal revenue and prohibition laws and regulations of the United States.

"Dated at Baltimore, August 22, 1923.

"JOHN PHILIP HILL."

Yours very truly,

GALEN L. TAIT, *Collector.*

TREASURY DEPARTMENT,
BUREAU OF INTERNAL REVENUE,
OFFICE OF FEDERAL PROHIBITION COMMISSIONER,
Washington, September 1, 1923.

Hon. JOHN PHILIP HILL,
House of Representatives.

MY DEAR CONGRESSMAN: Receipt is acknowledged of your letter of August 22, 1923.

Reference is made to your understanding that under the new regulations (Treasury Decision 3498) providing that only "a head of a family" may make nonintoxicating fruit juices for use in the home, the right to make such is denied to "a single person." You are respectfully advised that this office has construed the term "head of a family" to include a single person who is a bona fide head of a family living with his immediate relatives, for example: His parents or sister, etc., for whom he provides a home.

In reply to your inquiry as to what point the alcoholic content of nonintoxicating fruit juices made in the home may be reached before further fermentation must be arrested, you are advised that the alcoholic content of nonintoxicating cider and fruit juices made exclusively for use in the home under the exempting provision of section 29 of Title II of the national prohibition act has not been fixed by law or regulation.

Sincerely yours,

JAMES E. JONES,
Acting Prohibition Commissioner.

[Telegram.]

BALTIMORE, *September 4, 1923.*

JAMES E. JONES,
Acting Prohibition Commissioner, Washington, D. C.:

Your letter of September 1 just received, in which you say that the alcoholic content of nonintoxicating cider and fruit juices has not been fixed by law or regulation. I direct your attention to section 1, Title II, of the Volstead Act, which states that the phrase "intoxicating liquor" shall be construed to include any vinous or fermented liquor by whatever name called containing one-half of 1 per cent or more of alcohol by volume which are fit for use for beverage purposes. Do I understand from your letter that this definition does not apply to apple juice and fruit juices? I desire to begin making not more than 200 gallons of fruit juices for use in my home and request immediate advice. As I read the Volstead Act, I can make legally nothing containing as much as one-half of 1 per cent of alcohol, whereas your recent regulations apparently contemplate as legal a beverage of at least one-half of 1 per cent of alcohol. Reply by wire requested.

JOHN PHILIP HILL,
Member of Congress.

(Official business.)

TREASURY DEPARTMENT,
BUREAU OF INTERNAL REVENUE,
OFFICE OF FEDERAL PROHIBITION COMMISSIONER,
Washington, September 7, 1923.

Hon. JOHN PHILIP HILL, M. C.,
712 Keyser Building, Baltimore, Md.

MY DEAR SIR: I have the honor to reply to your telegram of September 4, in which you state that you desire at once to begin the making of not more than 200 gallons of fruit juices for use in your home, and refer to section 1 of Title II of the Volstead Act, and ask whether this unit holds that this section applies to fruit juices, and I have to advise as follows:

Section 4 of Title II of the national prohibition act names six classes of articles which, when manufactured and prepared for the market, are not subject to the provisions of the act, and subsection (f) of this section names as the sixth class "vinegar and preserved sweet cider."

Section 29 of this act, after providing penalties for violations of the various provisions of the act, provides that:

"The penalties provided in this act against the manufacture of liquors without a permit shall not apply to a person for manufacturing nonintoxicating cider and fruit juices exclusively for use in his home, but such cider and fruit juices shall not be sold or delivered except to persons having permits to manufacture vinegar."

These are the only references in the national prohibition act to the manufacture, sale, or use of cider and nonintoxicating fruit juices, from which it would appear that it is a reasonable inference, both moral and legal, that it was the intention of Congress not to include cider and nonintoxicating fruit juices, as ordinarily made and used, within the purview of "intoxicating liquor," but it was no doubt the intention so to include them should they become reasonably susceptible of use as an intoxicating beverage, or as material for distillation into an intoxicating beverage.

It is manifest from these exceptions that it was the intention of Congress to interfere as little as possible with an old, well-recognized, and generally harmless privilege of the citizens of the United States.

In the draft of Treasury Decision 3498, the controlling regulations on the manufacture of sweet cider and nonintoxicating fruit juices, two things were kept steadily in view, namely:

(1) To avoid authorizing the manufacture of an article which would itself be fit for intoxicating beverage use or would be susceptible of unlawful distillation into beverage spirits; and

(2) To interfere as little as possible with the generally recognized right of farmers to manufacture cider for home use and sale to vinegar manufacturers, or with the rights of the manufacturers of cider where there was no intention to violate the national prohibition act. It is believed that these two purposes have been carried out in Treasury Decision 3498.

While it is, of course, both the duty and intention of this unit to prevent the use of the cider and fruit juice manufacturing privilege from being perverted to the manufacture of intoxicating liquors for beverage purposes, nevertheless the prevailing customs and practices in the manufacture of this simple, domestic article are such that it is believed that to attempt to fix a definite prohibited per centum of alcoholic strength, which was apparently not the intention of Congress, would have the effect to confuse, hinder, and delay the plain farmers of the country in the enjoyment of a long-enjoyed right, and one which it is believed Congress never intended should be denied them. Careful attention was given to safeguarding this privilege against abuse by requiring the addition of benzoate of soda to arrest the development of alcohol before it had reached any appreciable degree in the manufacture of commercial beverage cider, and requires the usual home precautions in case of cider and fruit juices. In doing this the long experience of the Department of Agriculture was availed of, as well as the experience of experts on the subject generally, and no pains were spared to prevent opportunity for violations.

Compared with the abuses arising from the manufacture of distilled spirits and fermented liquors, violations of the national prohibition act arising from the practices of farmers and of manufacturers of cider and fruit juices are practically inconsequential, and but few violations of any consequence have ever been brought to the attention of this unit. Should there be a disposition by farmers and manufacturers to abuse the privileges thus granted, this unit will avail itself of the department's regulatory power to arrest such tendencies.

It is believed that a careful reading of Treasury Decision 3498 in connection with the considerations herein submitted will convince you that an effort has been made to do the best possible thing in the premises, both in light of prohibition law enforcement and in the interest of the public.

Very truly yours,

R. A. HAYNES,
Prohibition Commissioner.

SEPTEMBER 28, 1923.

Mr. R. A. HAYNES,
Federal Prohibition Commissioner,
Treasury Department, Washington, D. C.

SIR: Yesterday at my home two of your chemists, with the use of an embulliometer, tested the fruit juices, the ingredients of which I assembled on September 7, in accordance with notice to you. Their tests showed that the fruit juices from Anne Arundel County grapes, sugar, and water had in 19 days developed an alcoholic content of 11.8 per cent, while the same grapes, without sugar, had developed, in the same time, an alcoholic content of 3.27 per cent; there being, however, no prohibition contained either in the Volstead Act nor in your regulations against the use of sugar in making homemade fruit juices. At the same time the keg of fruit juice purchased by me and from which the bung was removed on September 7, showed an alcoholic content of 12.64 per cent.

All the above fruit juices, in accordance with your ruling, are entirely legal, it being the purpose of the Volstead Act to exempt the plain farmer from its operation as to such juices. According to your ruling, 12 per cent fruit juice is legal, whereas one-half of 1 per cent of hop juice, or beer, is illegal. I suggest that you propose to the conference of governors, which is soon to be held on the subject of prohibition, the question of whether law enforcement will not be

greatly facilitated if the Volstead Act is so modified as to give to the plain mechanic the privileges enjoyed by the plain farmer.

I am, however, doubtful of the legality of your interpretation of section 29 of the Volstead Act. I can not conceive that Congress intended that there should be more than one definition of "intoxicating." I therefore ask that you request the Secretary of the Treasury to obtain from the Attorney General an opinion as to the meaning of section 29, Title II, of the Volstead Act, in order that you may have the opinion of the highest authority to submit to the impending conference of governors on this subject.

Yours very truly, JOHN PHILIP HILL,
Member of Congress.

P. S.—I am sending a copy of this letter to the governors of the several States, together with copy of your letter to me of September 7, and my reply thereto.

Gentlemen, to enforce the law we must know it. I demand a determination of the law. Meanwhile, I ask that you pass H. Res. 153, and lift the lid from the doings of the Federal prohibition office. Beware the Tea Pot Dome stench! But stand by the law! [Applause.]

Mr. MADDEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SANDERS of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 6349) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1925, and for other purposes, had come to no resolution thereon.

RESIGNATION FROM A COMMITTEE.

The SPEAKER. The Chair lays before the House the following communication, which the Clerk will report.

The Clerk read as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 1, 1924.

Hon. FREDERICK H. GILLETT,
The Speaker, House of Representatives.

SIR: I hereby tender my resignation from the Committee on the Public Lands, to become effective this date.

Respectfully, LAMAR JEFFERS.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

LEAVE OF ABSENCE.

By unanimous consent, Mr. REID of Illinois was granted leave of absence for five days, on account of important business.

ADJOURNMENT.

Mr. MADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.) the House adjourned until to-morrow, Saturday, February 2, 1924, 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:

337. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Treasury Department for the fiscal year 1924, for increasing the equipment and personnel of the United States Coast Guard, amounting to $13,853,989 (H. Doc. No. 182); to the Committee on Appropriations and ordered to be printed.

338. A letter from the vice president of the Washington Gas Light Co., transmitting a detailed statement of the business of the Washington Gas Light Co., with a list of stockholders, for the year ended December 31, 1923; to the Committee on the District of Columbia.

339. A letter from the president of the Georgetown Gas Light Co., transmitting a detailed statement of the business of the Georgetown Gas Light Co., together with a list of stockholders, for the year ended December 31, 1923; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BARKLEY: Committee on Interstate and Foreign Commerce. H. R. 5218. A bill granting the consent of Congress to authorize the Pittsburgh Coal, Land & Railroad Co. to construct a bridge across the Tug Fork of Big Sandy River at or near Nolan, in Mingo County, W. Va., to the Kentucky side, in Pike County, Ky.; with an amendment (Rept. No. 137). Referred to the House Calendar.

Mr. BARKLEY: Committee on Interstate and Foreign Commerce. H. R. 5219. A bill to authorize the Norfolk & Western Railway Co. to construct a bridge across the Tug Fork of the Big Sandy River at or near a point about a mile and a half west of Williamson, Mingo County, W. Va., and near the mouth of Turkey Creek, Pike County, Ky.; with amendments (Rept. No. 138). Referred to the House Calendar.

Mr. JOHNSON of South Dakota: Committee on Indian Affairs. H. R. 4161. A bill authorizing the Commissioner of Indian Affairs to acquire necessary rights of way across private lands, by purchase or condemnation proceedings, needed in constructing a spillway and drainage ditch to lower and maintain the level of Lake Andes in South Dakota; without amendment (Rept. No. 139). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the District of Columbia. H. R. 20. A bill to declare Lincoln's birthday a legal holiday; without amendment (Rept. No. 140). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3560) granting a pension to Nancy J. O'Connor; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 4057) granting a pension to Euphamia Smith; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4420) granting a pension to Amanda L. Evans; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4702) granting a pension to Lany M. Breisford; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4388) granting an increase of pension to Edmund J. Gosselin; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 5104) granting an increase of pension to Samuel H. Rodeheaver; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 6228) granting an increase of pension to Christopher J. Rollis; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 6233) granting a pension to Louise Donovan; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WILLIAMS of Michigan: A bill (H. R. 6531) to protect the public against the use of deceptive and injurious practices in the marketing of articles of standard quality under a distinguishing trade-mark, name, or brand; to the Committee on Interstate and Foreign Commerce.

By Mr. CHRISTOPHERSON: A bill (H. R. 6532) to amend section 140 of the Criminal Code of the United States, relating to obstruction of process and assaulting officers; to the Committee on the Judiciary.

By Mr. LAGUARDIA: A bill (H. R. 6533) to supplement and amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary" (act of March 3, 1911, chapter 231), and known as the Judicial Code, and to limit the jurisdiction of district and circuit courts in certain cases; to the Committee on the Judiciary.

By Mr. LYON: A bill (H. R. 6534) granting the Fort Caswell Military Reservation to the State of North Carolina; to the Committee on Military Affairs.

By Mr. RAKER: A bill (H. R. 6535) authorizing the Postmaster General to investigate and adjust claims for additional compensation arising out of contracts for star-route, screen-wagon, and other vehicle service entered into prior to June 30, 1919; to the Committee on the Post Office and Post Roads.

By Mr. WILSON of Mississippi: A bill (H. R. 6536) to provide for the erection of a post-office and Government building

at Ellisville, Miss.; to the Committee on Public Buildings and Grounds.

By Mr. STEPHENS: A bill (H. R. 6537) authorizing the continuance of schools on certain naval reservations; to the Committee on Naval Affairs.

By Mr. KENDALL: A bill (H. R. 6538) to amend the laws relating to the Postal Savings System; to the Committee on the Post Office and Post Roads.

By Mr. OLDFIELD: A bill (H. R. 6539) to prohibit the collection of a surcharge for the transportation of persons or baggage in connection with the payment for parlor or sleeping car accommodations; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Washington: A bill (H. R. 6540) to limit the immigration of aliens into the United States, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. HOWARD of Nebraska: A bill (H. R. 6541) to amend an act entitled "An act to provide for the disposal of the unallotted lands on the Omaha Indian Reservation, in the State of Nebraska"; to the Committee on Indian Affairs.

By Mr. VAILE: A bill (H. R. 6542) to remove the prohibition of the circulation of contraceptive knowledge and means by amending sections 102, 211, 245, and 312 of the Criminal Code, and section 305, paragraphs (a) and (b), of the tariff act of 1922, and to safeguard the circulation of proper contraceptive knowledge and means by the enactment of a new section for the Criminal Code; to the Committee on the Judiciary.

By Mr. GIFFORD: A bill (H. R. 6543) to authorize the establishment of a better fog signal at Nantucket Harbor; to the Committee on Interstate and Foreign Commerce.

By Mr. BURTNESS: A bill (H. R. 6544) to provide for an emergency commission to promote a permanent system of self-supporting agriculture in regions adversely affected by the stimulation of wheat production during the war and aggravated by many years of small yields and high production costs of wheat; to the Committee on Agriculture.

By Mr. COLTON: Joint resolution (H. J. Res. 170) relative to fixing grazing fees within forest reserves; to the Committee on Agriculture.

By Mr. O'CONNOR of Louisiana: Joint resolution (H. J. Res. 171) authorizing the Secretary of War to lease New Orleans Quartermaster Intermediate Depot No. 2 to the New Orleans Association of Commerce; to the Committee on Military Affairs.

By Mr. ROGERS of Massachusetts: Resolution (H. Res. 167) approving the plan of the Department of the Navy to send the *Shenandoah* to the north polar region during the summer of 1924; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. ALLGOOD: A bill (H. R. 6545) for the relief of Joseph P. Esslinger; to the Committee on War Claims.

By Mr. BARKLEY: A bill (H. R. 6546) granting an increase of pension to Mattie A. Tansil; to the Committee on Invalid Pensions.

By Mr. BLACK of New York: A bill (H. R. 6547) for the relief of the owner of the steamship *Trinidadian;* to the Committee on Claims.

By Mr. BLOOM: A bill (H. R. 6548) granting a pension to Eliza H. Lockwood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6549) for the relief of the owner of the barge *Pembroke;* to the Committee on Claims.

By Mr. BOIES: A bill (H. R. 6550) to extend the benefits of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," to William T. Roche; to the Committee on Claims.

By Mr. BOYLAN: A bill (H. R. 6551) granting a pension to Agnes L. MacIntyre; to the Committee on Pensions.

By Mr. CELLER: A bill (H. R. 6552) for the relief of Herman Lincoln Chatkoff; to the Committee on Military Affairs.

By Mr. CORNING: A bill (H. R. 6553) granting a pension to Rosella Magee; to the Committee on Invalid Pensions.

By Mr. EVANS of Iowa: A bill (H. R. 6554) providing that the records of the War Department shall be amended to show the services of Daniel Harris under his true name, Harry D. Rayburn; to the Committee on Military Affairs.

By Mr. GIFFORD: A bill (H. R. 6555) granting a pension to Philena Briggs; to the Committee on Invalid Pensions.

By Mr. GLATFELTER: A bill (H. R. 6556) granting an increase of pension to Annie Greeser; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 6557) to allow credit in the accounts of A. W. Smith; to the Committee on Agriculture.

By Mr. HOLADAY: A bill (H. R. 6558) granting a pension to Hardy L. Knowles; to the Committee on Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 6559) for the relief of David F. Richards, alias David Richards; to the Committee on Military Affairs.

By Mr. KING: A bill (H. R. 6560) granting an increase of pension to John Linean; to the Committee on Invalid Pensions.

By Mr. MacGREGOR: A bill (H. R. 6561) for the relief of John N. Knauff Co. (Inc.); to the Committee on Claims.

Also, a bill (H. R. 6562) granting a pension to Arthur S. Hurlburt; to the Committee on Pensions.

By Mrs. NOLAN: A bill (H. R. 6563) granting a pension to Josiah G. Swinney; to the Committee on Pensions.

Also, a bill (H. R. 6564) granting an increase of pension to John F. Connolly; to the Committee on Pensions.

By Mr. MOORE of Illinois: A bill (H. R. 6565) to correct the military record of William L. Million; to the Committee on Military Affairs.

By Mr. MOORE of Ohio: A bill (H. R. 6566) granting a pension to Catherine Wilson; to the Committee on Pensions.

By Mr. MORGAN: A bill (H. R. 6567) granting an increase of pension to Anna E. Hemingway; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 6568) granting an increase of pension to Catherine Meece; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6569) granting an increase of pension to Rachel Baxter; to the Committee on Invalid Pensions.

By Mr. SEARS of Nebraska: A bill (H. R. 6570) granting a pension to Annie Ackerman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6571) granting a pension to Robert Mitchell Mann; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 6572) granting a pension to Helena Dearborn; to the Committee on Invalid Pensions.

By Mr. SWEET: A bill (H. R. 6573) granting a pension to Oscar J. Dunn; to the Committee on Invalid Pensions.

By Mr. TAYLOR of West Virginia: A bill (H. R. 6574) granting a pension to Georgia Ann Scarbrough; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 6575) granting a pension to Harry W. Weston; to the Committee on Pensions.

By Mr. REED of New York: Resolution (H. Res. 168) providing for payment to John A. McMillan and Thomas F. Farrell, messengers in charge of main door of the House of Representatives, the sum of $360 each per annum, payable monthly, as additional compensation; to the Committee on Accounts.

PETITIONS, ETC.

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

832. By the SPEAKER (by request): Petition of Congregation Kodimah, protesting against the enactment into law of House bill 101; to the Committee on Immigration and Naturalization.

833. By Mr. BURTON: Petition of 200 members of the Ohio State Grange, urging Congress to utilize the surplus revenue of the United States in such manner that Federal taxes shall be reduced; to the Committee on Ways and Means.

834. By Mr. CRAMTON: Petition of the Harbor Beach Woman's Club, Harbor Beach, Mich., urging passage of the child labor amendment; to the Committee on the Judiciary.

835. By Mr. CROWTHER: Petition of the board of directors of the East Brooklyn Savings Bank in the Borough of Brooklyn, city of New York, indorsing the Mellon plan of tax revision; to the Committee on Ways and Means.

836. By Mr. CULLEN: Petition of board of trustees of the Time Savings Bank of Williamsburgh, Brooklyn, N. Y., indorsing the proposed reduction in taxes; to the Committee on Ways and Means.

837. By Mr. EVANS of Montana: Petition of farmers and business men of Augusta, Mont., asking that support be given House bill 4159 and Senate bill 1597; to the Committee on Agriculture.

838. Also, petition of citizens of Brocktown, urging support of the export commission bill; to the Committee on Interstate and Foreign Commerce.

839. By Mr. GRAHAM of Pennsylvania: Petition of Philadelphia Board of Trade, opposing the passage of Senate bill 690; to the Committee on Banking and Currency.

840. Also, petition of Philadelphia Board of Trade, protesting against any amendment of the transportation act; to the Committee on Interstate and Foreign Commerce.

841. By Mr. KING: Petition of the Tuscarora Club, of Galesburg, Ill., petitioning Congress to pass such legislation as will amend the Constitution of the United States in order that Congress shall have power, concurrent with that of the States, to limit and to prohibit the labor of children under 18 years of age; to the Committee on the Judiciary.

842. Also, petition of the Izaak Walton League of America, Kewanee Chapter, No. 45, indorsing House bill 4088; to the Committee on Agriculture.

843. By Mr. PERKINS: Petition of board of managers of the Junior Order of United American Mechanics of New Jersey, favoring further restrictive immigration laws; to the Committee on Immigration and Naturalization.

844. By Mr. SABATH: Petition of city council of the city of Chicago, State of Illinois, protesting against Federal encroachments on the rights of States; to the Committee on the Judiciary.

845. By Mr. WELSH: Memorial of Philadelphia Board of Trade, opposing the enactment of Senate bill 1642, "to provide for the purchase and sale of farm products"; to the Committee on Agriculture.

846. By Mr. YOUNG: Petitions of Iona V. Bolton and seven other clerks of the Jamestown, N. Dak., post office; also of Lester E. Nierling and four other carriers of the Jamestown, N. Dak., post office, urging the passage of House bill 4123; to the Committee on the Post Office and Post Roads.

847. Also, petition of Tri-State Grain Growers' Convention, Fargo, N. Dak., on January 17, 1924, urging enactment into law of the Wallace plan for disposition of surplus wheat; also urging passage of the livestock loan bill; also asking for the repeal of the drawback and milling-in-bond provisions of the Fordney-McCumber law; to the Committee on Agriculture.

848. Also, petition of O. T. Tofsrud, of Rugby, and some 80 other citizens of Pierce County, N. Dak., urging the passage of House bill 4159 and the repeal of the drawback and the manufacturing-in-bond privileges; also urging the passage of what is known as the Wallace plan for marketing wheat; to the Committee on Agriculture.

849. Also, petitions of L. A. Larson and 33 other citizens of Rugby, N. Dak., and vicinity, assembled in mass meeting on January 21, 1924; 43 or more business men and farmers of Rogers, N. Dak.; 40 business men and farmers of Pillsbury, N. Dak.; Alex S. Hill and a number of farmers in the vicinity of Maxbass, N. Dak.; 40 residents of Bremen, N. Dak., all urging the repeal of the drawback and the manufacturing-in-bond privilege and urging the passage of what is known as the Wallace plan for marketing wheat; to the Committee on Agriculture.

850. Also, petition of the North Dakota Game and Fish Commission, favoring the passage of the public shooting ground bill; to the Committee on Agriculture.

851. Also, petition of O. J. Melgard and 74 other citizens of Grace City, N. Dak., and vicinity; H. M. Stroud and 40 other citizens of Wimbledon, N. Dak.; 27 citizens of Barlow, N. Dak.; and 53 farmers in mass meeting at Rugby, N. Dak., on January 21, all urging an increase of the duty on wheat from 30 to 60 cents per bushel, repeal of the drawback and manufacturing-in-bond provision of the Fordney-McCumber Act, and favoring the passage of the Wallace plan for the marketing of wheat; to the Committee on Agriculture.

HOUSE OF REPRESENTATIVES.

SATURDAY, *February 2, 1924.*

The House met at 12 o'clock noon.

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

Our blessed heavenly Father, Thy mercies are new every morning and fresh every evening. May we feel the ties that bind us tenderly to Thee. Always help us to have abiding faith in the power of good over evil and ever keep us in harmony with all that is pure and upright.

In this silence, with subdued breath we pray for that most distinguished one as he lingers in the shadows of eternal morning. In that hushed chamber, reveal Thyself in the varied forms of comfort and peace. Give restful assurance to all sad and heavy hearts. Shelter and keep him unafraid in Thy secret place and may the shadow of the Most High bathe his brow, as he awaits the summons to enter his Father's house in heaven forever more. Through Jesus Christ our Lord. Amen.

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

ENROLLED BILL SIGNED.

The Committee on Enrolled Bills reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

S. 794. An act to equip the United States penitentiary, Leavenworth, Kans., for the manufacture of supplies for the use of the Government, for the compensation of prisoners for their labor, and for other purposes.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed joint resolution and bill of the following titles, in which the concurrence of the House of Representatives was requested:

S. J. Res. 68. Joint resolution authorizing the erection on public grounds in the city of Washington, D. C., of a memorial to the Navy and Marine services to be known as Navy and Marine Memorial Dedicated to Americans Lost at Sea; and

S. 1837. An act granting the consent of Congress to the Fulton Ferry & Bridge Co. to construct a bridge across the Red River at or near Fulton, Ark.

SENATE BILL AND JOINT RESOLUTION REFERRED.

Under clause 2 of Rule XXIV, Senate joint resolution and bill of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. J. Res. 57. Joint resolution authorizing the erection on public grounds in the District of Columbia of a statue by Jose Clara personifying "Serenity"; to the Committee on the Library.

S. 1837. An act granting the consent of Congress to the Fulton Ferry & Bridge Co. to construct a bridge across the Red River at or near Fulton, Ark.; to the Committee on Interstate and Foreign Commerce.

SETTLEMENT OF INDEBTEDNESS OF THE REPUBLIC OF FINLAND.

Mr. CRISP. Mr. Speaker, by direction of the Committee on Ways and Means, I call up H. R. 5557, a bill to authorize the settlement of the indebtedness of the Republic of Finland to the United States of America. I believe the matter is a privileged one as it deals with revenues, but when the British settlement came up unanimous consent was given for the consideration of it. After conferring with the gentleman from Ohio [Mr. LONGWORTH], I ask unanimous consent that the House proceed to the consideration of H. R. 5557.

The SPEAKER. The gentleman from Georgia asks unanimous consent for the immediate consideration of H. R. 5557, which the Clerk will report by title.

The Clerk reported the bill by title.

The SPEAKER. Is there objection to the present consideration of this bill?

There was no objection.

Mr. CRISP. Mr. Speaker, this bill is on the Union Calendar and, therefore, I ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRISP. Mr. Speaker and gentlemen of the House, President Harding did me the honor of appointing me a member of the World War Foreign Debt Commission, the other members of the commission being, as you know, Secretary of the Treasury A. W. Mellon, Secretary of State Charles E. Hughes, Secretary of Commerce Herbert Hoover, Senator REED SMOOT, Senator THEODORE BURTON, and Hon. Richard Olney, of Boston. On account of my being a member of the commission my Republican colleagues on the Committee on Ways and Means did me, a minority member, the courtesy of directing that I make the report for the committee on the bill we are now considering, and have charge of it on the floor of the House. For that evidence of their friendship and courtesy I desire to make public expression of my appreciation.

On December 9, 1917, a new Republic was formed, for on that day a former little grand duchy of the Russian Empire declared its independence and established the Republic of Finland. According to the International Yearbook for 1922, Finland has an area of 145,000 square miles and a population of 3,335,000 people. Its principal occupation is agriculture. Only about 8½ per cent of the area of Finland is tillable, but notwithstanding the severe cold climate this little Republic