By Mr. OLDFIELD: A bill (H. R. 8959) to repeal that portion of the river and harbor appropriation act approved July 27, 1916, declaring the Cache River, in Arkansas, to be a nonnavigable stream, and to direct the Secretary of War to make survey of the Cache River and of the lands comprised in its watersheds for the purposes of flood control, irrigation, water and electric power, and navigation; to the Committee on Irrigation and Reclamation.

By Mr. REECE: A bill (H. R. 8960) providing for the erection of a chapel in the Andrew Johnson National Cemetery, Greeneville, Tenn.; to the Committee on Military Affairs.

By Mr. EVANS: Joint resolution (H. J. Res. 152) proposing an amendment to the Constitution of the United States for a referendum on war; to the Committee on the Judiciary.

By Mr. WELSH: Joint resolution (H. J. Res. 153) providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes; to the Committee on Industrial Arts and Expositions.

Also, resolution (H. Res. 120) providing for the consideration of H. J. Res. 153; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANDRESEN: A bill (H. R. 8961) for the relief of William E. Jones; to the Committee on Military Affairs.

By Mr. MENGES: A bill (H. R. 8962) granting an increase of pension to Mary M. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8963) granting an increase of pension to Sarah A. Zeigler; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 8964) granting a pension to Rosanna Ulman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8965) granting an increase of pension to Amelia J. Lusk; to the Committee on Invalid Pensions.

By Mr. ROY G. FITZGERALD: A bill (H. R. 8966) granting a pension to Arthur L. Massie; to the Committee on Pensions.

By Mr. FLETCHER: A bill (H. R. 8967) granting an increase of pension to George T. Harding; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 8968) for the relief of Anthony Wade; to the Committee on Claims.

By Mr. JOHNSON of Kentucky: A bill (H. R. 8969) granting a pension to James Self; to the Committee on Invalid Pensions.

By Mr. MOONEY: A bill (H. R. 8970) for the relief of Edwin R. Samsey; to the Committee on Military Affairs.

By Mr. PARKER: A bill (H. R. 8971) granting a pension to Catherine Kinmouth; to the Committee on Invalid Pensions.

By Mr. REED of Arkansas: A bill (H. R. 8972) granting a pension to Dora Probst; to the Committee on Pensions.

By Mr. ROWBOTTOM: A bill (H. R. 8973) granting an increase of pension to Katherine Kremer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8974) granting an increase of pension to Eliza A. Griffin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8975) granting a pension to Alonzo Lawrence Sutton; to the Committee on Invalid Pensions.

By Mr. SOSNOWSKI: A bill (H. R. 8976) to provide for the examination and survey of certain harbors on the Great Lakes, and of the connecting channels of the Great Lakes with a view to securing a continuous depth of 25 feet with suitable widths; to the Committee on Rivers and Harbors.

By Mr. STALKER: A bill (H. R. 8977) granting an increase of pension to Delilah Potter; to the Committee on Pensions.

By Mr. SWANK: A bill (H. R. 8978) for the relief of Frank Linwood Pontious; to the Committee on Naval Affairs.

By Mr. SWARTZ: A bill (H. R. 8979) for the relief of Charles C. Kerns; to the Committee on Claims.

By Mr. TILLMAN: A bill (H. R. 8980) granting a pension to Birdie Taylor; to the Committee on Invalid Pensions.

By Mr. TYDINGS: A bill (H. R. 8981) for the relief of Emily Patrick; to the Committee on Claims.

Also, a bill (H. R. 8982) granting a pension to Catharine Dell; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 8983) granting a pension to Eva J. Miller; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 8984) granting an increase of pension to Howard F. Lange; to the Committee on Pensions.

Also, a bill (H. R. 8985) granting an increase of pension to William M. Brendle; to the Committee on Pensions.

Also, a bill (H. R. 8986) granting a pension to Cordelia Green; to the Committee on Pensions.

By Mr. WURZBACH: A bill (H. R. 8987) granting a pension to Permelia E. Dugger; to the Committee on Pensions.

By Mr. GIFFORD: Joint resolution (H. J. Res. 154) authorizing the expenditure of certain funds paid to the United States by the Persian Government; to the Committee on Foreign Affairs.

By Mr. ALMON: Concurrent resolution (H. Con. Res. 8) authorizing the printing of the proceedings in Congress upon the acceptance of the statue of Joseph Wheeler; to the Committee on Printing.

By Mr. SWARTZ: Resolution (H. Res. 119) to pay salary and funeral expenses of John M. Heagy, late an employee of the House of Representatives, to his widow, Mrs. John M. Heagy; to the Committee on Accounts.

By Mr. CURRY: Resolution (H. Res. 121) to pay one month's salary to the clerks to the late Hon. John E. Raker; 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:

585. By Mr. GALLIVAN: Petition of O. W. Clapp, Massachusetts legislative representative, Locomotive Engineers, Boston, Mass., protesting against proposed amendments to the Federal employees' liability act; to the Committee on the Civil Service.

586. By Mr. LEAVITT: Resolution of Jackson Woman's Club, of Jackson, Mont., favoring continuance of the provisions of the Sheppard-Towner maternity act; to the Committee on Interstate and Foreign Commerce.

587. By Mr. TEMPLE: Papers in support of House bill 8503, granting a pension to Anna M. Gribben; to the Committee on Pensions.

SENATE

SATURDAY, *February 6, 1926*

(Legislative day of Monday, February 1, 1926)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. The Senate resumes the consideration of the unfinished business, House bill No. 1.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. ERNST obtained the floor.

Mr. JONES of Washington. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Fernald	McKinley	Shipstead
Bayard	Fess	McLean	Shortridge
Bingham	Fletcher	McNary	Simmons
Blease	Frazier	Mayfield	Smith
Borah	George	Means	Smoot
Bratton	Gerry	Metcalf	Stanfield
Brookhart	Gillett	Moses	Stephens
Broussard	Goff	Norbeck	Swanson
Bruce	Hale	Norris	Trammell
Butler	Harreld	Nye	Tyson
Cameron	Harris	Oddie	Underwood
Capper	Harrison	Overman	Wadsworth
Caraway	Heflin	Pepper	Walsh
Copeland	Howell	Phipps	Warren
Couzens	Johnson	Pine	Watson
Dale	Jones, Wash.	Ransdell	Weller
Deneen	Kendrick	Reed, Pa.	Wheeler
Dill	Keyes	Robinson, Ark.	Williams
Edge	King	Robinson, Ind.	Willis
Edwards	La Follette	Sackett	
Ernst	McKellar	Sheppard	

Mr. WATSON. I wish to announce that the Senator from Iowa [Mr. CUMMINS] is engaged on the Interstate Commerce Committee.

Mr. JONES of Washington. I desire to announce that the senior Senator from Kansas [Mr. CURTIS] is necessarily absent on account of illness. I will allow this announcement to stand for the day.

Mr. McKELLAR. I wish to announce the unavoidable absence of the Senator from West Virginia [Mr. NEELY]. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, a quorum is present. The Senator from Kentucky [Mr. ERNST] is entitled to the floor and will proceed.

Mr. ERNST. Mr. President, I desire to read, for the information of the Senate, the views of the minority members of the so-called Couzens's committee, which I now ask permission to file.

The VICE PRESIDENT. Without objection, the views of the minority will be received and ordered to be printed (Rept. 27, pt. 3).

Mr. ERNST. Mr. President, the views of the minority do not occupy many pages of print, but it has been a task of considerable labor to put our objections to the majority report in such shape that the Senate may quickly understand them. I believe that all those who listen will understand exactly what we intend to convey.

On January 12, 1926, Mr. COUZENS, from the select committee of which he is chairman, presented to the Finance Committee a 243-page majority report representing the results of the activities of this committee in investigating the Bureau of Internal Revenue. On the same day this majority report was submitted to the Senate.

A statement of the history of the activities of the investigating committee and of the preparation and adoption of the report will show that it is based to a large extent upon ex parte proceedings and that it presents only one side of the case.

On June 1, 1925, the Select Committee Investigating the Bureau of Internal Revenue had been in existence for a year and three months. During that time there had been presented to the committee, by its staff, the facts with reference to less than 100 cases, the settlement of which by the Bureau of Internal Revenue was criticized. In respect of these cases which were actually presented to the committee representatives of the bureau appeared before the committee, full hearings were had, and the bureau answered to the entire satisfaction of at least part of the committee the criticisms made of the settlements.

Under the Senate resolution authorizing its activities the committee was required to cease holding its hearings on June 1, 1925, and was compelled to withdraw its agents from within the Bureau of Internal Revenue on that date and to return to the bureau all of its records which had been withdrawn by the committee and to discontinue the withdrawals from the bureau of records, returns, and cases.

I call particular attention to what was done by the committee.

The spirit if not the letter of this resolution was disregarded by the committee when it required the bureau to have prepared and submitted to it prior to June 1 photostatic copies of all returns and papers in thousands of cases. These photostats were then examined by the attorney and agents of the committee without committee hearings and form to a large extent the basis of the majority report.

And yet those cases were never before the committee for examination with an opportunity to the bureau to answer the objections and criticisms made, but reports upon them were prepared by the attorneys for the committee, and reported in the majority report, as Senators will see later on.

As illustrative of this, counsel for the committee stated that the portion of the report dealing with amortization was based upon the consideration of all cases involving more than $500,000, some 160 in number—

And I desire the Senate to understand clearly that only 5 or 6 out of that 160 cases were presented to the committee for its consideration or to the bureau for its answer—

although only some five or six amortization cases had been presented to the committee for its consideration and to the bureau for answer.

The great majority of the cases, therefore, upon which the majority report is based, were never presented to the Bureau of Internal Revenue in order that it might submit a justification or explanation of its action, and, furthermore, were never even presented to the investigating committee. The first time that the committee members themselves heard of these cases was when the report prepared by the committee's counsel was placed before them.

On the 30th of November, 1925, there was submitted to the members of the select committee that portion of a proposed committee report prepared by the committee's staff and dealing with the subject of depletion; on December 10 there was submitted the section dealing with amortization; on December 29 there was submitted the portion dealing with compromises and invested capital; and on January 4, 1926, there was submitted the remainder of the proposed report. On none of these dates was there a meeting of the committee to consider these reports. The receipt of these reports was the first time the committee heard of the thousands of cases examined in an ex parte proceeding, by its staff after the committee hearings ceased.

Representatives of the bureau were allowed to appear before the investigating committee on December 18 to discuss the portion of the report dealing with depletion which had been transmitted to the bureau on December 10, and also were allowed at the committee hearing on December 30 to discuss two other portions of the report, one of which had been submitted to the bureau the previous day and the other of which had been transmitted to the bureau on December 19. The representatives of the bureau were never asked to appear before the committee to discuss the remainder of the proposed report. At these two committee meetings, the representatives of the bureau stated fully their objections to and dissent from the general criticisms contained in the proposed report, but made no attempt to discuss specific cases, stating that such discussion would involve to a large extent repetition of what had been stated at the previous hearings. Furthermore—

And I call especial attention to this point—

it was, of course, clearly impossible for them to have examined in the limited time available the many cases discussed for the first time in the majority report, and the preparation of which by the attorney for the committee had taken many months.

I may add that in his examination the attorney for the committee was aided by a large staff of engineers and others.

(Hearings of special committee, December 18, 1925, pp. 2 and 44.)

Throughout this report I have endeavored to refer to the pages of the record upon which these statements are based, for I do not desire to make any general statements without citing the facts upon which they are founded.

On January 11 this report, as prepared by the committee's staff, with three or four minor and more or less clerical corrections, was signed by a majority of the committee and on the following morning presented to the Finance Committee and on the following afternoon to the Senate and released to the press of the country.

This report, prepared by counsel for the committee and containing approximately 250 pages of criticism of the administration of the Bureau of Internal Revenue and based upon the consideration of thousands of cases that were never presented to the committee and on which the bureau was never heard, went to the press of the country the day following its approval by a majority of the committee and without time for the other members of the committee to present at the same time their views and to point out the errors of fact and conclusions contained in the majority report.

This action has given a gravely erroneous impression to the public.

The report of the majority discusses five general subjects—depletion, amortization, compromises, invested capital, and special assessment—and also administrative procedure. Each portion of the report will be taken up and discussed separately. Every case mentioned in the report can not be discussed in detail since a great part of them—

As I have stated—

were never before the committee for its consideration or before the bureau for explanation. Those which were regularly and properly presented to the committee will be discussed briefly for the purpose of showing that the criticisms are unjustified. It is not unfair to assume that the bureau could have answered, equally satisfactorily if it had been given the opportunity, the other cases presented for the first time in the report.

DEPLETION

The criticism contained in the majority report with reference to depletion may be subdivided under four general heads: (1) A criticism of the values determined for depletion purposes in various specific cases; (2) a criticism of the allowance of discovery where the existence of the deposit had been previously known; (3) a criticism of the regulations defining proven area and discovery for purposes of oil depletion; and (4) a criticism of the values determined by the bureau for copper and silver properties.

A brief explanatory statement of the nature of depletion and its effect upon the income-tax liability of the taxpayer will be of assistance in understanding the portions of this report and the majority report dealing with the subject. Depletion is a deduction allowed to the operators of mines, oil wells, and other natural deposits to allow the return tax free of the capital invested in the property. To show the necessity for and the effect of such a deduction a hypothetical case may be stated. Assume that a taxpayer purchased a coal mine containing 100,000 tons of coal for $50,000, and that in a given year he produced 10,000 tons of coal which he sold for $20,000. It is obvious that the $20,000 proceeds from the sale of this coal is not all income to the taxpayer since he has disposed of one-tenth of his coal and has impaired to the extent of one-tenth his original investment in the mine. The deduction for depletion provided for in the law allows the taxpayer to deduct from the gross sales of $20,000 the cost to him of the coal sold, $5,000, the latter figure representing the portion of the cost of the entire mine applicable to the coal sold during the year. Consequently the taxpayer would in the hypothetical case pay a tax on an income of only $15,000 and not on his gross sales of $20,000. The deduction for depletion serves the same purpose to the operator of a mine or other natural deposit as the deduction from gross sales of the cost of the goods sold serves to a retail merchant.

CRITICISM OF MINERAL VALUATIONS IN SPECIFIC CASES

Under the taxing statutes the Bureau of Internal Revenue was forced—

And I wish that the Senate could understand the magnitude of its task—

to value all the mineral properties in this country as of two dates, March 1, 1913, and the date of the incorporation of the taxpayer, both dates many years in the past. The magnitude of this task can be partially appreciated when it is realized that the Interstate Commerce Commission in valuing only the properties of the railroads of the country has spent more than 13 years on the task and more than $27,000,000, and the carriers themselves in working on these same valuations have spent the same period of time and more than $85,000,000. This statement gives some idea as to the magnitude of the bureau's task in valuing all of the mineral properties in the country as of two different dates. Yet the committee after a year and three months of investigation criticizes the values determined by the department in only 15 cases, and 9 out of the 15 were called to the attention of the committee's staff by disgruntled employees or ex-employees of the bureau, whose first determinations of value in the cases had been overruled by their superiors.

They wished to justify their own findings.

The attempt in the majority report to condemn the action of the bureau in performing its colossal task by picking out and criticizing 15 exceptional and unique cases is both unfair and absurd. It is merely a vain attempt to use a difference of opinion in a few isolated cases (concerning which there may be an honest difference of opinion by those best informed) as the basis for exaggerated and general criticism.

The valuation by the analytical appraisal method presents a most difficult technical problem, involving in every step the use of individual judgment.

I wish the Senate could understand this situation.

In each case where mineral properties are valued by the analytical appraisal method (which counsel for the committee admits is the only method which can be used in the case of certain properties, such as copper mines) the one making the valuation (first) must estimate the number of tons of ore in the deposit—

Any man who has had practical experience knows the difficulty of doing that—

(second) must estimate the expected price at which minerals will be sold over the life of the property, which may exceed 40 years; (third) must estimate the future cost of producing the minerals over the same period; (fourth) must estimate the period required to recover the estimated units in the deposit; (fifth) must estimate the cost of future plants which will be necessary to recover the minerals; and (sixth) must estimate the interest rate upon the investment which would be necessary to attract capital to invest in the property.

It is perfectly obvious that in estimating any one of the factors stated above the judgment of equally competent and honest engineers will differ. It is with reference to the difficulty of estimating these various factors that Mr. Herbert Hoover, in his book Principles of Mining, states:

"It should be stated at the outset that it is utterly impossible to accurately value any mine, owing to the many speculative factors involved."

As illustrative of the extent to which individual judgment must enter into these valuations, the Witherbee Sherman case, one of the 15 cases criticized in the majority report, may be cited. In this case the valuation which the engineers of the committee thought should have been placed upon the property differed by approximately $5,000,000 from the valuation which the bureau had set. At the same time the valuation of the committee's engineers differed by approximately $5,000,000 from the valuation set upon the property by Mr. Grimes, another engineer of the bureau. Yet the majority report, while criticizing the bureau for setting a value $5,000,000 different from what the committee's staff thought proper, nevertheless described Mr. Grimes, who had also set a value on the property differing by the same amount from the committee's valuation, in the following language (p. 103):

"The marked ability and exceptional industry of Mr. Grimes, and the remarkable progress he has made toward reducing appraisal work to a sound, scientific basis, is worthy of note and commendation."

Even the majority report admits these differences and shows by a hypothetical case (pp. 114, 115) that two equally competent and equally honest engineers "whose judgment in estimating basic factors differs slightly but not enough to impeach the honesty or ability of either engineer" may reach results that would show a difference in depletion rate of 450 per cent. Yet this almost impossible task of accurately valuing all mineral properties in the United States was placed upon the bureau by Congress. Is it strange that the committee's staff has been able to find a few complicated and involved cases where the judgment of its staff may differ with the judgment of the bureau?

Nevertheless, these same differences in judgment, which, from the very nature of the question, can not be avoided, are used in the majority report as the basis for such statements as the following (p. 47):

"Owing to the different views of officers and employees of the unit * * * the grossest kind of discrimination has resulted."

The action of the majority in using this difference in judgment (which, as above shown, is inevitable in the consideration of such questions) as the basis for a general criticism of the bureau and its administration destroys the value of the report, for the purpose of any constructive suggestions or subsequent action, and only serves to materially discount the criticisms contained in the other parts of the report.

I want to call especial attention to the next 25 or 30 lines. The actions complained of by the majority report are not confined, as Senators would think from what they have heard, to the present administration. They run back to preceding administrations, to acts which have been approved by Secretaries Houston and GLASS, and by the then Commissioners of Internal Revenue; and they criticize that which Congress has time and again approved by its bills which have been enacted into law.

To show that that statement is literally true, I call attention to the following:

DISCOVERY WHERE THE EXISTENCE OF THE DEPOSIT HAD BEEN PREVIOUSLY KNOWN

The report criticizes the settlement of five cases where it is alleged that depletion was allowed on the basis of discovery value, although the presence of the mineral was known prior to the date of the alleged discovery, and that the value at discovery was based upon subsequent exploration work. A brief explanation of discovery depletion will assist in understanding the following portions of this report. Under the discovery depletion provisions of the statutes, a taxpayer who discovers a mine or an oil or gas well may base his depletion deduction, not solely upon the cost of the property to him, but upon its value after the discovery is made. The purpose of the provision, which appeared first in the revenue act of 1918, was to encourage—

Now, note—

the development of the natural resources of the country. Its effect is to allow the taxpayer who makes a discovery the return exempt from tax of the value of the property at the date the discovery is made.

What is the history of that provision?

This action of the Bureau of Internal Revenue in refusing to recognize a discovery until the existence of the ore body has been determined by exploration work, and until it is determined to be a deposit commercially valuable, has been directly authorized by the regulations of the Treasury Department since 1920. Article 219 of Regulations 45 was issued April 16, 1919, and signed by Mr. Roper, then Commissioner of Internal Revenue, and by Mr. CARTER GLASS, then Secretary of the Treasury, and contains the following:

"The discovery of a mine or a natural deposit of mineral, whether it be made by an owner of the land or by a lessee, shall be deemed to mean (a) the bona fide discovery of a commercially valuable deposit of ore or mineral of a value materially in excess of the cost of discovery in natural exposure or by drilling or other exploration conducted above or below ground, or (b) the development and proving of a mineral or ore deposit which has been abandoned or apparently worked out, or sold, leased, or otherwise disposed of, by an owner or lessee prior to the development of a body of ore or mineral of sufficient size, quality, and character to determine it, in connection with the physical and geological conditions of its occurrence, to be a minable deposit of ore or mineral having a value materially in excess of the cost of the proving and development."

This construction of the discovery provision of the taxing law, which is criticized so severely in the majority report, has been in the printed regulations of the Treasury Department since 1919, and has received the approval of the last three Commissioners of Internal Revenue, Messrs. Roper, Williams, and Blair, and the last three Secretaries of the Treasury, Messrs. GLASS, Houston, and Mellon.

It is this provision which receives such harsh and unwarranted criticism from a part of this committee.

A discussion at the present time of the correctness of this long-standing departmental construction of the law is unnecessary.

And why?

As stated in the case of Edwards *v.* Wabash Railroad Co. (264 Fed. 610, 618):

"The Supreme Court has decided that the reenactment by Congress—

As was done here—

without change of a statute which had previously received long-continued executive construction is an adoption by Congress of such construction."

Surely nothing further need be said about that criticism of the committee.

TEXAS GULF SULPHUR CO.

The settlement with the Texas Gulf Sulphur Co. is criticized at length in the majority report. An examination of this case demonstrates that the action of the Bureau of Internal Revenue was not only in accordance with the proper legal construction of the statute but is logically sound.

As to the allowance to the Texas Gulf Sulphur Co. of discovery depletion in 1919, the majority report states that the existence of the deposit was known in 1903 and the extent known in 1909. The real facts in connection with this matter, as shown by the hearings of the committee (p. 4151), are these:

As early as 1903 and 1904 wildcatters, while drilling for oil on the property afterwards acquired by the Texas Gulf Sulphur Co., noticed some sulphur in the slush from the drilling. No attention was paid to it, however, at the time. Mr. Spencer C. Browne, a well-known mining engineer, who in 1910 made a careful examination of the claim that there had been an earlier discovery of sulphur on the property, states:

"Following the discovery of the Spindletop oil dome near Beaumont, wildcat drilling operations for oil were quickly started on most of the recognizable elevations on the Texas coast. A number of wells were drilled on the Matagorda Big Hill in 1903 and 1904, and until 1908 a small amount of oil was produced from moderately shallow wells near the higher part of the elevation. While drilling in some of the deeper of these oil wells crystals of sulphur were occasionally brought to the surface, but on account of the peculiar porous character of the sulphur formation the cuttings from the drill were usually lost in the fissures and not seen by the drillers. * * * The drillers were interested only in getting oil, and the reports of the occurrence of sulphur carried no evidence of its thickness or extent or quantity" (p. 4151).

This is the sole evidence of any discovery of sulphur on this property in 1903.

In 1903 Mr. J. M. Allen, of St. Louis, a promoter and not a mining engineer, in an attempt to financially interest other parties in this property because of the reports of the occurrence of sulphur in the oil wells upon it, got up a report in which he made extravagant claims as to the existence of sulphur on the property. This is the report that is referred to in the majority report as showing the extent of the deposit.

The exaggerations of a promoter to get others to invest their money in his enterprise.

The facts are that Mr. Allen was not a mining engineer; that at the time he made these claims he was financially interested in the properties and was attempting to obtain financial support of his plans for development and that there were no reliable or complete data, samples, or logs in existence showing the extent of the sulphur deposit.

Now, notice; for this is all completely demonstrated by what thereafter occurred:

Some seven years later, in 1910, Mr. Allen, together with his associates, attempted to interest Mr. S. W. Mudd, of Los Angeles, in this property, which they in the meantime had incorporated under the name of the Gulf Sulphur Co. Mr. Mudd sent Mr. Spencer C. Browne, a mining engineer, to examine the property for him and to ascertain whether a sulphur deposit had in fact been discovered. In connection with this examination, Mr. Browne stated:

"In 1910, when I first got in touch with this Matagorda Big Hill property, I was not in the employ of the Gulf Sulphur Co. or the St. Louis interests. I was employed by Mr. S. W. Mudd, of Los Angeles, and clients of his who were desirous at the time of investigating sources of sulphur. My opinion of the Matagorda property after my investigation at that time was that it was an interesting prospect that might prove of great value, but that the unsatisfactory character of the development to date had left it wholly unproven. I believed it worthy of further tests by drilling, if the property could be obtained on suitable terms, but would not have been greatly surprised if the drilling campaign (which began in 1917) had disproved the commercial value of the property" (p. 4152).

This statement of Mr. Browne is substantiated by the correspondence between him and his client in 1910, which was filed with the bureau when this case was under consideration. For example, in a telegram from Mr. Browne it was stated:

"Matagorda long exploited in New York by J. W. Harrison. It was canvassed and considered undesirable by investigators. Pemberton thinks advisable to disregard Matagorda in proceeding with development I coincide with these views."

In a letter written August 16, 1910, he says:

"No records from these oil wells are obtainable * * *. On account of the unreliability of the interested and opposed parties, I can not consider the discussion either favorable or otherwise * * *. As an individual venture I should not recommend development of the Matagorda deposit."

As a result of these discouraging reports on the property (the first that had been made by any competent mining engineer), Mr. Mudd was not interested in it. No further steps toward its exploration seem to have been taken by anyone until some six years later.

In the spring of 1916 the parties who subsequently acquired the ownership of the Gulf Sulphur Co., now the Texas Gulf Sulphur Co., formed an association for the purpose of exploring the property. Beginning in September, 1917, these parties commenced and carried through a comprehensive and scientific drilling campaign to determine whether or not this property contained sulphur in commercial quantities. They employed competent engineers who made an exhaustive examination of the property. This exploration work was carried on from September, 1917, until the spring of 1918. The parties contributed some $625,000 for the purpose of carrying on this exploration work. As a result of this examination, and for the first time, it was determined that large deposits of sulphur, which justified commercial exploration, existed in the property. A discovery was properly allowed by the bureau as of this later date.

It could not honestly have been allowed as of any other date. There is the testimony from the records which are now before the Senate, and yet the majority would have you believe that away back in 1903 or 1904 there was a discovery.

It is apparent that the bureau's action in this type of case, which is so severely criticized in the majority report, is not only legally sound but, in view of the facts, is the only action which the bureau could fairly and logically have taken.

I want to call the attention of the Senate especially to the subject of oil depletion. From the nature of the criticisms, portions of which Senators have heard and portions of which have not been read but are in the majority report, it would be thought that everything that had been done was done under the present administration. I am delighted to say that there is no politics in this question and that the prior administration and the present administration wholly agree on some of these most important matters concerning which the criticisms are so severe and so completely unjustified.

OIL DEPLETION

In considering the general subject of discovery depletion, as applied to oil properties, it is necessary and interesting to trace the legislative history of the provision through the various revenue acts.

The revenue act of 1918 for the first time contained a provision allowing, in the case of discoveries of oil, gas, or mines, the depletion deduction to be based upon the fair market value at the date of discovery. The principal importance of the provision, of course, is in the case of oil and gas wells, since discoveries of mines are very rare. This provision as contained in the revenue act of 1918 placed no limit whatever upon the amount of depletion based upon discovery value. In the revenue act of 1921 Congress, upon the recommendation of the Treasury Department, limited depletion based upon discovery value to not to exceed the income from the property upon which discovery was claimed. In the revenue act of 1924, again at the recommendation of the Treasury Department, Congress limited the deduction to 50 per cent of the income from the property upon which the discovery was made. Again, in connection with the pending revenue bill the Treasury Department recommended before the Ways and Means Committee that discovery depletion be still further limited. It is perfectly obvious, therefore, that the responsibility for allowing depletion based upon discovery value must be placed upon the Congress and not upon the Treasury Department.

The majority report criticizes at length the regulation of the department which permits the allowance of depletion on the basis of discovery value, although the property was proven at the time the well was brought in, provided it was not proven at the time it was acquired by the taxpayer. It also criticizes the regulation which defines a proven area as a square surface of 160 acres.

Note the history of these regulations.

These regulations were first published on December 2, 1919, in a Treasury decision signed by Mr. Daniel C. Roper, Commissioner of Internal Revenue, and Mr. CARTER GLASS, Secretary of the Treasury. They have continued in effect until the present day and have also received the approval of Commissioners Williams and Blair and Secretaries Houston and Mellon.

That this Treasury decision was most carefully considered before it was promulgated is shown by the memorandum from Commissioner Roper transmitting the decision to Secretary GLASS, in which it is stated:

"On the technical points involved, I have had the advice not only of our own technical experts but those of the Bureau of Mines and the Geological Survey as well. The case was heard before the Advisory Tax Board and has since been thoroughly considered by the bureau, opportunity being given to the taxpayers to be heard."

The criticism by the committee's staff of these regulations, which were so carefully considered prior to their issuance, which have remained in force for such a long time and which have received since their issuance the sanction of Congress in enacting subsequent revenue laws upon two occasions, becomes captious in view of the above history of the regulations.

OIL VALUATIONS

The majority report criticizes the values allowed of oil properties for depletion purposes in a few specific cases. Some of these cases will be discussed for the purpose of showing that the majority report is in error both in its statements of facts and in its conclusions with reference to these specific cases.

BLACK AND SIMONS

In the Black and Simons case it is stated in the committee's report that Black and Simons, each of whom owned an interest in the same oil lease, were given different values for depletion purposes. The report states: "Black, who owned the larger interest, claimed and was allowed a value of $270,059, while Simons, who owned a smaller interest, was allowed a value of $533,887." The real facts with reference to these two valuations are these: Black was tentatively allowed the value which he claimed upon his return. Simons did not accept the valuation tentatively allowed him, but filed an appeal to the Board of Tax Appeals. The bureau very properly made no adjustment of the valuation of Black's property, but is awaiting a decision of the Board of Tax Appeals in the Simons case, at which time both the Black and Simons cases will be disposed of on the same basis; that is, on the basis of the valuation allowed Simons by the Board of Tax Appeals. The committee recognized that this statement of the status of the matter by the bureau officials would ordinarily be a complete and satisfactory explanation of what had been done.

I want attention called to this account. It is such a clear, bald misstatement of the law upon the subject that, it seems to me, it throws a doubt upon every portion of this great report of 250 pages:

The majority report states, however, that—

"The Board of Tax Appeals can increase the valuation allowed Simons but can not reduce it. To reduce the valuation would increase the deficiency in tax already determined by the commissioner, and this the board has no jurisdiction to do"—

and concludes, therefore, that a proper determination of the cases will not result because of this lack of jurisdiction of the board.

Again the committee's criticism utterly fails because of the inaccuracy of the statements upon which it is based. The board may decrease a valuation and may increase a deficiency. The board stated, for example, in the appeal of Hotel de France Co. (1 B. T. A. 28):

"Where it appears to the board from the record that the deficiency determined by the commissioner is incorrect, the board will, where possible, find the correct deficiency, whether greater or less."

See also Rub-No-More (1 B. T. A. 228); Record Abstract Co. (2 B. T. A. 628); Fred Ascher (2 B. T. A. 1257); Peterson Pegau Baking Co. (2 B. T. A. 637); Gutterman-Straus Co. (1 B. T. A. 243).

The criticism of this case by the majority report is as unsound as the statements upon which the criticism is based are incorrect.

GULF OIL CORPORATION

The next oil valuation discussed in the majority report is the case of the Gulf Oil Corporation. Before taking up the specific criticisms contained in the majority report, it is advisable to state the history of the consideration of this case. It should be noted, first, that it was considered and closed by the previous administration prior to the taking of office by Secretary Mellon, and, second, that it received the most careful and painstaking consideration, and that the audit and check of this case was not accomplished in a few days, as some seem to think. The facts are that two auditors were originally sent from the bureau at Washington to audit the books of the Gulf Oil Co. during the latter part of October, 1920. Subsequently other auditors were assigned to assist them in their work, and the report of this complete examination was not finished until February 20, 1921. The preparation and check of the depletion schedules was handled in the same way, the first being submitted in September of 1920 and the last submitted and checked in February of 1921. It is apparent, therefore, that the consideration and disposition of this case was not unduly hurried but that there was a careful and detailed audit of the case.

The majority report with reference to the Gulf Oil Corporation case criticizes the valuation allowed on the Shumway lease of the Gypsy Oil Co., a subsidiary of the Gulf Oil Corporation; it states that the valuation of this lease was typical of the valuation of all other leases in the case, and concludes, consequently, that the settlement of the case resulted in the payment by the company of substantially less tax than should have been paid. The alleged error in the valuation of the Shumway lease is the sole foundation for the statements in the majority report which occasioned the following headlines in the New York Times and similar headlines in other newspapers: "COUZENS committee's report reveals Mellon's Gulf Co. benefited by $4,590,385."

If the conclusion in the report of the majority of the committee that the Shumway lease was overvalued fails, then the other conclusions, including the one that the Gulf Co. underpaid its taxes, necessarily fails.

The value allowed the Shumway lease is criticized in the majority report in three respects. First, it is stated that in valuing the lease the bureau used the price of oil on the 31st day, while the law requires the use of the price of oil within 30 days after discovery; second, it is stated that no proper allowance for hazard or discount was made in the valuation of this lease; and, third, it is stated that, although the records show that many dry holes were drilled in this county, nevertheless in valuing this lease no allowance was made for dry holes.

A brief statement of the history of the Shumway lease and its development by the Gypsy Oil Co., as shown on pages 2883-2899 of the records of the investigating committee, is necessary to answer the committee's criticisms.

I may add here that the history of subsequent developments has demonstrated in the most remarkable and peculiar manner the correctness of the conclusions by the bureau.

The Gypsy Oil Co. acquired the Shumway lease on January 24, 1916. At that time it was miles from any oil production, so that in no sense could it be called proven or even probable oil land. Early in 1917, as a result of careful surveys, the surface geology of the region was mapped, and the indications were that the Shumway lease was favorably situated, provided there was any oil in the surrounding territory. At that time shallow oil (550 to 600) was being produced in the Eldorado pool, about 5 miles east and north of the Shumway lease, and a deeper oil from the Augusta pool, 6 miles or more to the south. In March, 1917, the Alpine Oil Co. drilled a well into the deep sand (2,400 feet) which opened an entirely new pool. This well was a small one and attracted little attention until it was followed on May 30 by the Trapshooter well, which definitely established the existence of a new pool of great magnitude. The Gypsy immediately took steps to drill up the Shumway lease, which even then gave promise of being one of the best in this district. On July 15, 1917, the drill reached the sand and on July 16 the first oil was produced, although the well was not finished and put into regular production until several days later. Production after completion was estimated at 5,000 barrels a day. From that time until the full quota of wells was drilled development proceeded rapidly, which was necessary, since the Gypsy Co. owned this single quarter section surrounded by leases of its competitors.

The field was peculiar in the Mid-Continent field in that there was no gas. The oil was forced to the surface by hydraulic pressure. Since Shumway had a structural advantage of 20 to 30 feet over leases to the south and west, this made it apparent that careful drilling would result in the production of a vast quantity of oil from the lease.

The report first criticizes the valuation of this lease because of the use of the price of oil on August 15, stating that the oil was discovered on July 14, and therefore that the 30-day period for valuation expired on August 14. The real facts, contrary to the statement appearing in the majority report, are that the first oil from the lease was not produced until July 16 (record, p. 2895), so the use of the price of oil on August 15 was within 30 days after the discovery and was entirely proper.

The next criticism is of the failure to make proper allowance for discount and hazard in valuing this lease. It should be realized that in valuing a discovery well the greatest hazard in the oil industry has already been eliminated. The presence of oil in commercial quantities must be assured before a discovery valuation is permissible. When the presence of oil in commercial quantities has been demonstrated by a discovery, the remaining factors concerning which uncertainty exists are these: First, the amount of the future production of the well; second, the future selling price of the oil; and, third, the cost of producing the oil. If in determining these records show that many dry holes were drilled in this county, nevertheless in valuing this lease no allowance was made for dry holes.

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The report, after reviewing the history of all of Butler County, the county in which the Shumway lease was located, and showing that 15 per cent of the wells drilled in the county were dry holes, criticizes the valuation placed on the Shumway lease for a failure to make allowances for dry holes. A consideration of all of Butler County is entirely valueless, since there are included therein three separate and distinct pools and it was well known at the time the Shumway was brought in that it was in a new pool. The judgment of the engineers valuing this lease in failing to make any allowance for dry holes is fully supported by subsequent facts which show that not a single dry hole was brought in on this lease (p. 2896).

The above answers conclusively every specific criticism made of the valuation of the Shumway lease. In addition, the actual performance of the Shumway lease may be stated to show further that the value placed was conservative.

In preparing the valuation of the Shumway lease the oil reserves were estimated at 6,800,000 barrels. Up to January 1, 1925, the lease had actually produced more than 7,250,000 barrels. The appreciated value placed on the lease because of discovery was $9,800,000 and the net profits from the well up to December 31, 1924, were $12,306,000, and at that time the well was still producing at the rate of 248 barrels a day. It surely can not be claimed that the value placed on this lease was excessive when subsequent events show that up to January 1, 1925, the well had paid out approximately 25 per cent in excess of the value placed upon it by the bureau and was still producing in a substantial amount.

The entire criticism of the settlement of the Gulf case, based entirely upon criticisms of the valuation of the Shumway lease, must fall. However, the unfortunate and wholly unwarranted impression that may have been made in the minds of the public through the majority report, with its erroneous statements of facts and conclusions concerning this case, can not be removed by this complete explanation and justification of its settlement.

Had this majority report been withheld until the minority had opportunity to prepare its report, the public could have at least heard both sides of the case.

CONNOLLEY AND LARKIN CASE

The third oil valuation criticized in the majority report is the case of Connolley and Larkin. The majority report alleges that a given well was valued as of a given date at four different figures for the purpose of determining the depletion deductions of the five parties owning undivided fractional interests in the well. The report in stating that these allowances were actually made to the five parties is directly contrary to the facts, which are clearly set forth on pages 2974 and 2975 of the committee's hearing. In July of 1924, approximately a year before this case was ever considered by the investigating committee, the discrepancies in the tentative valuations of these undivided interests were detected not by this committee, as the majority report would have you believe, but by the bureau, and a uniform valuation was given to the property for the purpose of determining the depletion of all the parties, and the taxes of the various parties, so far as possible under the statute of limitations, were adjusted accordingly. Again, the statement in the majority report is contrary to the facts, as shown by the committee's own record.

COPPER AND SILVER VALUATIONS

The sole remaining criticism contained in the majority report with reference to the administration by the bureau of the depletion sections of the law deals with the valuation for depletion purposes of copper and silver properties. A mere statement of the history of these valuations will disclose the absence of any grounds for just criticism.

In 1919 the returns filed by the copper companies had not been audited and the valuation of the copper mines of the country had not been made. It was necessary under the law to value these properties as of two dates, first, as of March 1, 1913, for depletion purposes, and, second, at the date paid into the corporation for invested capital purposes. To do this work the bureau called in Mr. L. C. Graton, a mining engineer thoroughly familiar with copper valuations and specially qualified to perform this work. Mr. Graton, whose services for the bureau were secured by Commissioner Roper, had been formerly a professor at Harvard and in addition had been for nine years in geological-survey work, giving particular attention to copper matters. Neither his integrity nor his splendid ability have been or could be questioned by the committee. Mr. Graton valued the properties of the copper producers of the country in the latter part of 1919 and the early part of 1920.

Although these valuations were marked provisional, subsequently in 1920 conferences were held with representatives of the copper companies, at which additional data were furnished and the valuations tentatively made by Mr. Graton were made final. These valuations were approved by Commissioner Roper in 1920. Taxes for 1917 and 1918 were assessed and paid by the companies on the basis of these valuations and the companies were informed that the years were closed. In 1922 engineers of the bureau called to the attention of the commissioner the valuations which had been made of the copper properties, contending that they were excessive. After thorough consideration of the problem, it was decided by the commissioner that the original values were excessive, although the differences between the engineers who made the original valuations and those who proposed the revaluations were almost entirely differences in judgment on very close points.

The history of the valuation of the silver properties is substantially the same as that of copper properties except that upon consideration of the proposal to revalue it was determined that the basic principles of the original valuations were sound and it was ordered that those original valuations should be revised only if necessary to correct actual errors.

The original valuation for 1917 and 1918 was made by competent authorities and was an honest expression of judgment. The taxpayers had considered their taxes for 1917 and 1918 closed and arranged their finances accordingly. To reopen them at this late date would have upset an entire industry. The bureau, therefore, took the position that the 1917 and 1918 taxes having been finally settled and paid, it would not extend the revaluation to those years, but would commence with the year 1919, for which year and subsequent years taxes had not yet been determined. It was felt that the bureau should not substitute its present judgment for the honest judgment of those officials of the prior administration who were formerly in authority in the bureau and who had finally closed the cases for 1917 and 1918. Such action was both wise and proper and affords the basis for no just criticism.

AMORTIZATION

In discusing the general subject of amortization it is helpful to state, first, the purpose and effect of the provision and, second, to state the legislative history of the provision and to show the tremendous and novel task which it imposed upon the Bureau of Internal Revenue.

The amortization section, which affects only the war years and which is contained only in the revenue acts of 1918 and 1921, allows those taxpayers who acquired plants or machinery or other facilities during the war period and for the production of articles contributing to the prosecution of the war to take as a deduction against their income for the war years the cost of those facilities which would be useless to them after the war, or that portion of the cost of the facili-

ties which was attributable to the high war costs. In other words, the provision was for the purpose of allowing a deduction of the excessively high war costs of facilities, buildings, and machinery against the high war income produced by those facilities.

The section providing for an allowance for the amortization of war facilities appears first in the revenue act of 1918. This section in the revenue bill as passed by the House contained the proviso that the amortization deduction should in no case exceed 25 per cent of the net income of the taxpayer. The Ways and Means Committee of the House was at first very insistent upon this limitation, on the ground that without such a limitation too much discretion would be given to the officials of the Bureau of Internal Revenue. This limitation, however, was stricken out of the bill by the Senate and does not appear in the 1918 statute as it was finally enacted into law. In other words, the advisability of imposing some limitation upon the broad discretion given to the bureau officials by the amortization section of the act was considered by Congress, and after thorough consideration it was rejected. That Congress realized the tremendous discretion which this section placed in the Treasury officials is shown by the discussion of the section at the time it was under consideration. Mr. Claude Kitchin in discussing this section stated:

"Some gentlemen have asked me about the amortization proposition. You will find the amortization provision on page 37. It applies to individuals and to corporations for the purpose of computing net income for both the income tax and the excess-profits or war-profits tax. This provision gives great power of discretion to the Treasury Department, to the Commissioner of Internal Revenue, and the proposed advisory tax board. We must lodge that discretion somewhere. * * * It must be lodged somewhere, because Congress can not take up each one of the particular cases and fix a certain rule by which a building may be amortized. We can not do it." * * * (Appendix to the CONGRESSIONAL RECORD, vol. 56, pt. 12.)

In discussing this and other provisions on the floor of the Senate, Senator SMOOT stated:

"I want Senators to know that in these provisions there is placed in the hands of the Commissioner of Internal Revenue or the Secretary of the Treasury, as the case may be, a power that has never been granted to departmental officials before."

Congress therefore advisedly and after thorough consideration enacted the amortization section of the war revenue acts, realizing the tremendous discretion it placed in the Treasury officials, but appreciating, as the majority report of this committee apparently does not, that the discretion had to be lodged somewhere, since it could not be exercised in individual cases by the Congress.

The section in question provides for the deduction, "in the case of * * * facilities * * * constructed * * * for the production of articles contributing to the prosecution of the war," of "a reasonable allowance"—

I want to emphasize that language—

of "a reasonable allowance for the amortization" of such facilities. Under this vague and indefinite language, which placed practically unlimited discretion in the hands of the officials of the department, the bureau was required to make more than $600,000,000 of allowances. This investigating committee after a year and three months of investigation, in which every amortization case involving any substantial amount was carefully examined, has found no evidence whatever of any irregularity, any corruption, or any fraud in these allowances. This record is a remarkable tribute to the bureau. It can not be marred by the attempt in the majority report to exaggerate honest and unavoidable difference of opinion which have arisen in connection with the determination of this allowance in individual cases.

One of the first questions which arose in administering the amortization section of the statute was whether it should apply to a case where a taxpayer acquired facilities for his war production which gave him a production capacity in excess of his postwar needs.

The majority report criticizes the bureau for allowing amortization in such cases, the position being taken that any allowance for amortization in such cases was illegal. This criticism of the action of the bureau is fully answered by the history of the administration of the amortization section. After careful consideration it was definitely determined that amortization should be allowed in such cases and a regulation was issued April 16, 1919, and signed by Mr. Daniel C. Roper, Commissioner of Internal Revenue, and Mr. CARTER GLASS, Secretary of the Treasury.

This regulation has been continued in effect until the present time and has received the approval of all the Commissioners of Internal Revenue and of all the Secretaries of the Treasury from April 16, 1919, until to-day. It is unnecessary now to enter into a legal argument to justify a regulation with such a history.

The remainder of the majority report dealing with amortization, some 60 pages of the report, deals with various criticisms of the method used by the department in determining the postwar value in use of facilities acquired by taxpayers during the war for war purposes. The possibility of differences in this connection and the inherent difficulty of the subject is shown by the United States Steel case (only one of thousands) which necessitated the determination of the postwar value in use of all assets acquired by the company for war purposes, which represented expenditures of approximately $250,000,000. The magnitude of this work, its difficulties, and the opportunities for honest differences of opinion in this one case must be obvious to all. Any argument, however, at the present time over the proper method of computing this postwar value in use is unnecessary. In October of 1925 there was published by the Bureau of Internal Revenue a ruling (S. M. 4225) setting forth complete and detailed rules of procedure for determining the postwar value in use of facilities. This opinion, which the bureau states will be used in determining amortization in all cases not barred by the statute of limitations, is in substantial accord with the staff of the investigating committee. Members of the investigating committee who signed the majority report have indicated that if this opinion had been in effect for the determination of all amortization allowances there would be no grounds for criticism. (Hearings before Finance Committee, pp. 31, 108, 153.) Therefore as to the basis to be used in settling all unclosed cases, the Bureau of Internal Revenue, the members of the investigating committee, and the committee's staff are in complete accord.

The sole point remaining is with reference to certain minor inconsistencies in cases closed before the complete procedure now in effect in the bureau was worked out. The attitude of the majority of the committee appears to be that perfection in construing a novel statute must be achieved immediately after its enactment, and that the administration by the bureau from the beginning should have been what it finally became after its six or seven years of experience in determining amortization. The determination of "a reasonable allowance for the amortization" of war facilities involving allowances of more than $600,000,000 presented a problem on which there were no rules or precedents. It was pioneer work. To expect that under such a statute authorizing "reasonable allowance" a hard and fast policy could be established at the very outset of its administration and adhered to throughout, a policy which would work justice to all parties, is to expect a degree of foresight on the part of the bureau officials which is beyond reason. In working with individual cases, observing the practical working out of the different theories and methods, encountering varying conditions and facts, the bureau officials gained knowledge which enabled them to apply the provisions of the statute more accurately and more fairly. The rules laid down in the opinion of October, 1925, represent the knowledge gained by some seven years of experience in administering the statute. Obviously the methods prescribed therein are an improvement over those which were used in 1920 in the determination of amortization in the first cases taken up for consideration. To state otherwise would imply that the bureau had learned nothing through seven years of dealing with actual cases and applying the statute to varying conditions. This progress and improvement in administration by the bureau should be praised and not criticized.

The subject of amortization is now a dead one. No such provision is contained in the current revenue laws and the last year affected by the deduction is the year 1920. The procedure for determining amortization now in effect in the bureau and which will be applied to all unclosed cases is admittedly sound. Inconsistencies between the present method of determining amortization and the method in effect several years ago and shortly after the act was passed, merely show that the bureau has made progress in this work and by experience has improved. The bureau deserves great praise for having exercised, intelligently and honestly, the tremendous discretion given it by Congress in determining more than $600,000,000 of amortization allowances under an imperfect, vague, and indefinite statute.

COMPROMISES

The next section of the majority report deals with the compromise of taxes where the taxpayer is insolvent. The action of the bureau in compromising taxes for an amount less than could be collected by the enforcement of the Government's legal rights is criticized in the report as being illegal, and the case of the Atlantic, Gulf & West Indies Steamship Co. is discussed as showing the effect of this illegal policy as applied to a specific case. In condemning this compromise policy as illegal the report states (p. 190):

"Deliberately compromising taxes for less than can be collected is an abuse of discretion and constitutes a voluntary relinquishment without consideration of a debt due the Government. This, the Attorney General has said, the commissioner is not authorized to do. In making such compromise the commissioner has arrogated to himself the function of determining, not what can be collected, but the tax rate at which the taxpayer should be taxed. It is doubtful whether Congress could delegate such authority, and it is clear that it has not attempted to do so."

This language is particularly interesting when compared with the opinion of Attorney General MacVeagh, rendered in 1881 and reported in 17 Op. Attys. Gen. 213, wherein it is concluded:

"I have, therefore, to advise you that while, in considering any compromise submitted to your judgment, you are not at liberty to act from motives merely of compassion or charity; you are at liberty,

until Congress sees fit to limit your authority, to consider not only the pecuniary interests of the Treasury, but also general considerations of justice and equity and of public policy."

The majority report, citing some dictum in an opinion of the Attorney General published in 16 Op. Attys. Gen. 249, condemns as illegal a practice which was directly and specifically authorized in a subsequent opinion of the Attorney General rendered in 1881 and continued in force until the present time. Such a criticism deserves no further consideration.

INVESTED CAPITAL AND SPECIAL ASSESSMENT

The portion of the majority report dealing with invested capital and special assessment criticizes severely the regulations issued under the invested capital and special assessment provisions of the revenue act of 1917. Without discussing the purpose of the committee in considering at this time regulations peculiar to the revenue act of 1917, it is only necessary in explanation of these regulations to cite the history of their consideration and adoption.

After the enactment of the revenue act of 1917 considerable doubt existed as to whether its provisions could be enforced and applied, in view of the haste with which it was written and the inexperience of its authors with an excess-profits tax. The regulations issued under this act were therefore the subject of most careful consideration prior to their issuance. The history of the preparation and issuance of these regulations is contained in the report of Commissioner Roper to Secretary of the Treasury, Mr. McAdoo, for the year 1918, which states in part:

"Despite grave apprehension that the law could not be interpreted in a way that would admit of orderly and effective administration and the expressed views of many citizens that immediate amendments of the law should be sought from Congress before attempting to administer it, the department proceeded with the analysis of the law in the confidence that the congressional intent and purpose could be interpreted and put into effect without further legislative action and without serious detriment to industry and business.

"The vital effect the enforcement of the law would have upon the economic activities of the country made it highly desirable to analyze and interpret the law in the light of all available information regarding business and industrial conditions and practices. The Secretary of the Treasury, therefore, selected to assist the Commissioner of Internal Revenue a group of prominent business and professional men, whose training and experience seemed especially to qualify them for the task. This group was designated as 'Excess-profits tax advisers.' It included men possessing extensive knowledge and experience in agriculture, manufacturing, trading, finance, accountancy, legislation, political economy, and sociology. These advisers were not only specialists in one or more of these fields, but were keenly appreciative of the administrative responsibilities resting upon the bureau and possessed much knowledge of business and industrial conditions in their respective sections of the country. They brought to the department a composite experience and breadth of view that proved of inestimable value in the study of the intricate law which the bureau was called upon to administer. The Solicitor of Internal Revenue and members of the bureau's legal staff and the administrative officers of the bureau were closely coordinated with the excess-profits tax advisers in their work.

"The appointment of the excess-profits tax advisers had the immediate effect of inspiring confidence in the purpose of the department to administer the law with due regard for established business practices and with proper consideration of the effect the large rates of tax would have upon business activities. The tide of general criticism that had arisen against the law was stemmed, and the bureau began to receive innumerable expressions of confidence and offers of cooperation and assistance from accountants, lawyers, bankers, and business men throughout the country.

"Information, advice, and suggestions were sought from taxpayers through all known channels. Hearings were conducted for the oral discussion of the law and the concrete cases to which it would have to be applied. After months of thorough and painstaking deliberation, regulations were issued interpreting the principal features of the excess-profits tax provisions and establishing the administrative procedure with reference to them. These regulations and the subsequent Treasury decisions and bureau rulings have been accepted generally as fair interpretations of the purpose and intent of the law."

These regulations which are declared in the majority report to be illegal, and which are cited as involving the loss of millions of dollars in taxes to the Government were issued in 1918 by a Treasury decision signed by Commissioner Roper and approved by Secretary McAdoo. They have been continued in force until the present day for the purpose of determining the taxes under the 1917 act and have received the approval of the last three Commissioners of Internal Revenue and the last four Secretaries of the Treasury.

Not only did these regulations before this adoption receive their marked and careful consideration above pointed out, but were immediately called to the attention of the Congress and were embodied in the revenue act of 1918. The report of the Senate Committee on Finance, of which Senator SIMMONS was chairman, on the revenue act of 1918, at page 13, in speaking of an amendment the purpose of which was to write into the 1918 act the provisions of the regulations under the 1917 act on paid-in surplus, which are so harshly criticized in the majority report, states:

"This amendment seeks to enact into law the substance of a regulation of the Treasury Department which has worked well and which has not led either to abuse or the filing of an excessive number of claims. It is highly important that this regulation be placed on a statutory basis and continued."

The regulation under the special assessment section of the 1917 act was likewise approved by the Congress and embodied in the 1918 act. (See S. Rept. 617, p. 14.)

These regulations therefore represent not only the long-continued construction of the executive department, but in addition were specifically approved by Congress in 1918 within one year after their adoption. Their resurrection at the present time to form the basis for an attack upon the administration of the bureau illustrates the limits to which the majority of the committee has gone in this so-called constructive investigation.

ADMINISTRATIVE PROCEDURE

Although the investigating committee never accepted the invitation of bureau officials to inspect the various units and divisions of the bureau in order to see the procedure in effect in the handling of cases and has never made any attempt to observe first-hand the actual workings of the bureau, nevertheless the last portion of the majority report is devoted to criticism of the organization and procedure of the bureau.

The organization is criticized on the ground that the head of a division of the bureau is supreme and may, irrespective of the law and regulations, dispose of a case as he may see fit. It is obvious, since all the activities of the bureau can not be performed under the direct personal supervision of the Commissioner of Internal Revenue, that he must delegate to subordinates selected for their ability and qualifications certain duties and responsibilities. In delegating authority as to the disposition of cases, however, every attempt has been made in the bureau organization to secure thorough and adequate review of proposed settlements. The first step in connection with the audit of a given case is the revenue agent's examination which forms the basis for a complete report by him. The case is then handled by the auditor in the bureau to whom it is assigned in conjunction with his subsection chief and a conferee, the latter being a specially trained technical man. After the audit of the case and the revenue agent's report by this auditor, with the assistance described above, the case is sent to the review section of the division. The personnel of this review section is selected from the most experienced, able, and trustworthy men of the bureau. It is there carefully reviewed, and any error which is discovered is corrected. The case is then sent to the head of the division for his approval.

If in connection with the case a question of law is raised, or if in its consideration a difference of opinion arises between the review section and the audit section or between the head of a division and the review or audit section, the case is referred to the representative of the Solicitor of Internal Revenue assigned to that division. The point in dispute is then either settled by him or referred by him to the office of the Solicitor of Internal Revenue for an opinion. If the case involves a refund of $50,000 or more after the approval by the head of the division, it is automatically sent to the office of the Solicitor of Internal Revenue for a thorough and detailed review. This brief statement of the procedure in effect in the auditing of tax cases discloses that even where authority is delegated by the commissioner every effort is made through reviews and checks to see that it is not abused. It discloses further that so far as it is possible to do so by a system of procedure every step has been taken to protect the interests of the Government.

FAILURE TO PUBLISH RULES AND REGULATIONS

The report criticizes the administration of the bureau because all of the various rulings under the law and regulations have not been published. Up until the latter part of 1919 none of the rulings of the bureau was issued to the public. It is interesting to note that Great Britain, with the experience of more than half a century in administering an income tax law, has never published either general regulations or specific rulings. In 1920 the policy was inaugurated of publishing a weekly bulletin containing all rulings involving a question of principle or having any general application. The policy has been continued and enlarged up to the present time, during which time there have been published approximately 2,000 pages of regulations on the income tax and in addition more than 4,500 rulings, comprising about 5,300 printed pages.

Not only have these rulings of general application been published, but the bulletins in which the rulings are published have contained for the last two years a statement on their covers, as follows:

"No unpublished ruling or decision will be cited or relied upon by any officer or employee of the Bureau of Internal Revenue as a precedent in the disposition of other cases."

Surely everything possible has been done by the bureau to insure the publication of rulings and to prohibit the settlement of cases in accordance with any ruling not published.

ACCOMPLISHMENTS OF THE BUREAU

In the foregoing part of this report the criticisms of the Bureau of Internal Revenue contained in the majority report have been considered, weighed, and we submit conclusively answered. Now it is proposed to review the accomplishments of the Bureau of Internal Revenue, something which the majority report neglects to do, and to consider the size of the task given by Congress to the bureau and its success in performing it. This will disclose whether or not the statements in the majority report, even though they were assumed to be correct, could properly form the basis for any general criticism of the administration by the bureau in collecting war taxes.

I want Senators to know someching of the work required of the bureau.

Prior to the year 1913 the greater part of the revenue of the Government was derived from the tax on distilled spirits, liquors, and tobacco, and the tax collected for that year amounted to only $350,000,000. The first income tax law, which was passed in 1913, was simple in its provisions and very moderate in its rates. The taxes collected for the first few years after its enactment averaged only $430,000,000 a year. It was when this country entered the World War that the demand for revenues multiplied, the existing tax rates were increased, and new taxes novel and untried were imposed. It was then that Congress began to place a stupendous burden upon the Bureau of Internal Revenue.

The revenue collected by the bureau increased from $512,000,000 in 1916 to $800,000,000 in 1917, an increase of 58 per cent; to $3,690,000,000 in 1918, an increase of 621 per cent; to $3,850,000,000 in 1919, an increase of 658 per cent; to $5,400,000,000 in 1920, or a 956 per cent increase over the collections for 1916. There were 770,000 income-tax returns filed in 1916. This number increased yearly to 8,700,000 in 1921, an increase of 1,020 per cent. This tremendous increase in the revenue and in the number of returns filed, and the increase in the work to be performed as a consequence thereof, imposed an unheard-of burden upon the Bureau of Internal Revenue. The bureau was not prepared to handle the work or to start the audit of the returns as they came in. The first of 1918 the entire organization in Washington contained less than 600 officers and employees. Experienced lawyers, engineers, and auditors had to be secured and trained to build up the Washington organization to its present personnel of over 6,000 in order to audit the returns and finally settle the cases.

Some of the duties imposed upon the bureau in connection with the auditing of income and excess-profits tax returns may be stated in order to show the magnitude of the task. The law required the valuation of all the natural resources—mines, metals, timber, and oil and gas—in this country as of March 1, 1913, and as of the date paid into the corporation for stock. All other tangible property owned by taxpayers also had to be valued as of the same two dates for depreciation and invested capital purposes. Amortization allowances involving the consideration of an absolutely novel allowance, had to be determined in an amount in excess of $600,000,000. In determining invested capital and depreciation a value had to be placed upon all the intangible properties, including patents, copyrights, good will, processes, and secret formulas, no precedents for the valuation of which existed. The income of the millions of taxpayers who made returns had to be determined after a careful audit of their accounts, and in the case of corporations the annual income for every year since the incorporation of the company had to be determined for the purpose of computing invested capital. There is no case in history where a similar or comparable burden has been placed upon an executive department.

The Bureau of Internal Revenue, overcoming the greatest difficulties, has succeeded in becoming practically current in its work of auditing these returns and adjusting the taxes.

In view of statements made upon the floor yesterday, I ask Senators' careful consideration of this statement:

In December, 1925, there remained unclosed only 0.07 of 1 per cent of the 1917 cases; 0.09 of 1 per cent of the 1918 cases; 0.13 of 1 per cent of the 1919 cases; 0.38 of 1 per cent of the 1920 cases; 0.63 of 1 per cent of the 1921 cases; 3.54 per cent of the 1922 cases; 3.94 per cent of the 1923 cases; and 5.94 per cent of the 1924 cases. And this progress has been made in spite of the fact that in the last seven years more than 600,000 cases have been reopened by taxpayers through the filing of claims for refund, which claims for refund must, under the law, be examined, considered, and passed upon by the bureau. The proportions which a single case may assume is brought out by the case of the United States Steel Corporation, in which case the assessment letter merely showed the mathematical adjustments, covering 2,267 pages with 317 pages of exhibits. And the difficulty of the questions presented in adjusting the case is shown by the fact that of the last 15 income-tax cases decided by the Supreme Court 9 of the cases have been decided by a divided court. The accomplishments of the bureau are as remarkable as its task was colossal.

As a result of the work of the Bureau of Internal Revenue in auditing these returns, there has been collected in additional taxes for the fiscal years 1917 to 1925 more than $2,800,000,000, and the collections as a result of audit for the first quarter of the fiscal year 1926 amounted to more than $75,000,000. The work of the bureau in auditing these returns needs no justification other than the figures showing the result of these audits.

The accomplishments of the bureau are clearly and strikingly presented in the following summary: Since the passage of the income tax act of 1917 there have been filed more than 59,000,000 income-tax returns. During the same period the Bureau of Internal Revenue has collected and accounted for more than $30,000,000,000. Of this amount more than $2,800,000,000 has been collected as a result of the audit and investigation of tax returns. The cost of collecting this tremendous sum of money has averaged less than $1 for each $100 collected. Less than 1,000,000 cases remain at the present time to be settled and finally adjusted out of the 59,000,000 cases filed during and since the war.

In the investigation the accomplishments of the bureau as a whole were not examined for the purpose of determining whether, considering the size of the task, it had been well performed. On the contrary, individual cases which had been settled by the bureau were reexamined for the seeming purpose of finding something to criticize in connection with the settlement.

The entire record discloses the desire to examine and present cases which might form the basis for criticism of the bureau. The record of the hearings, as well as the report itself, shows that it was the unusual and unique cases, called to the attention of the committee with the suggestion of irregularity in the settlement, which were investigated. It is impossible for such an investigation to show a complete cross section of the work of the bureau; it necessarily and purposely shows only the rough spots. But the bureau has ended up with a clean record even after that type of an investigation.

The accomplishments of the bureau in collecting more than $30,000,000,000 in revenue and in auditing and closing 58,000,000 cases has been subjected for the last year and three months to this type of critical investigating by the investigating committee and its staff, composed of some 50 lawyers, engineers, accountants, and clerks. It has resulted in a criticism of various regulations which had received the approval of two administrations and many competent and able authorities on taxation, besides disclosing a difference of judgment in some specific cases. The investigation has disclosed no hint of any irregularity or fraud. That the bureau can so successfully withstand such a searching and critical investigation is a great tribute both to its present and past officials and employees. The bureau is entitled to the respect, admiration, and praise of the Congress and of the country for the honest and efficient way in which it has performed its work.

JAMES E. WATSON,
RICHARD P. ERNST,
Members of the Select Committee Investigating the Bureau of Internal Revenue.

Mr. President, before taking my seat I wish to make this further statement: I was amazed and astounded at statements made upon the floor yesterday in reference to the Internal Revenue Bureau. They were general statements, not based upon any facts proven before the committee, and made without citing to this body any case which even tended to support the statements. The statements went to the good faith of the bureau, to the integrity of its officials, all in general language and without giving the facts, if any, upon which those charges and insinuations were based. I intend at an early date to answer what was yesterday said upon the floor in that connection.

Mr. COUZENS. Mr. President, I want to thank the able Senator from Kentucky for his very learned minority report, which report, as I understand, has not yet been filed with the Senate. I simply want to state that at the beginning of the week an appropriate reply will be made, and for that purpose I ask that the Senate shall not pass upon the amendments now before the Senate dealing with the publicity feature of the bill.

Mr. SMOOT. Mr. President, in order that Senators may know what is the program that we hope to carry out this afternoon I will state that the Senator from Michigan [Mr. COUZENS] desires time to look over the report that has just been presented by the Senator from Kentucky. I think it is proper and right that he should have the time to do so. Therefore I am going to ask the Senate, whenever other business is concluded, to lay aside the question of publicity of returns and take up this afternoon the other questions over which there is not very much contention and clean up the bill of all questions now pending with the exception of the publicity of returns and the estate tax.

Mr. NORRIS. Mr. President, I had intended to address the Senate this afternoon and was prepared, and could do so even

yet, but the address of the Senator from Kentucky, which has a peculiar bearing upon the matter that is now pending, raises the question and the idea of a reply to it by the Senator from Michigan, which seems to be very appropriate, and which would make it impossible for us anyway to vote on the amendment this afternoon. Therefore I have very willingly consented to the arrangement which the chairman of the Finance Committee has asked and will endeavor to secure recognition Monday.

Mr. WALSH. I wish to inquire of the Senator from Utah if his program contemplates the present consideration of the amendments from the floor?

Mr. SMOOT. No; I do not think we can get that far. I will say to the Senator, so that the Senate may know just what questions are at the present time unfinished, that they are, first, the question of depletion; next, leaf tobacco sold to the consumers, admissions taxes, the tax on dues, excise taxes, the alcohol tax, Board of Tax Appeals, and assistant to the general counsel. Several of these provisions will lead to hardly any discussion; a few of them will lead to some discussion, perhaps even lengthy discussion; but those are the items that are unfinished so far as the committee is concerned, or the committee amendments to be offered to the bill are concerned.

The PRESIDENT pro tempore. The Chair understands that by the action of the Senate taken on yesterday the publicity amendment to the pending tax bill was laid aside. Therefore its status is not interfered with by the statement which has been made by the senior Senator from Utah [Mr. SMOOT].

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed without amendment the bill (S. 1423) to relinquish the title of the United States to the land in the donation claim of the heirs of J. B. Baudreau, situate in the county of Jackson, State of Mississippi.

The message also announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 533. An act for the relief of Henry Simons;

H. R. 534. An act to remove the charge of desertion from the record of Benjamin S. McHenry;

H. R. 585. An act for the relief of Frederick Marshall;

H. R. 787. An act for the relief of Fayette L. Froemke;

H. R. 818. An act for the relief of William A. Glasson;

H. R. 1110. An act granting six months' pay to Lucy B. Knox;

H. R. 1459. An act for the relief of William Lentz;

H. R. 1598. An act for the relief of Robert E. A. Landauer;

H. R. 1717. An act for the relief of Alonzo C. Shekell;

H. R. 1721. An act for the relief of Francis Forbes;

H. R. 1827. An act for the relief of Frank Rector;

H. R. 1840. An act for the relief of Edward A. Grimes;

H. R. 1962. An act for the relief of Charles F. Getchell;

H. R. 2172. An act for the relief of Joseph A. Choate;

H. R. 2267. An act for the relief of James J. Meehan;

H. R. 2315. An act for the relief of J. W. La Bare;

H. R. 2537. An act for the relief of Arthur L. Hecykell;

H. R. 2636. An act for the relief of Claude S. Betts;

H. R. 2703. An act granting six months' pay to Anton Kunz, father of Joseph Anthony Kunz, deceased, machinist's mate, first class, United States Navy, in active service;

H. R. 2745. An act to correct the military record of Tennessee McCloud;

H. R. 2787. An act for the relief of John T. O'Neil;

H. R. 2808. An act for the relief of Paymaster Herbert Elliott Stevens, United States Navy;

H. R. 2987. An act for the relief of Samuel T. Hubbard, jr.;

H. R. 3107. An act for the relief of Estle David;

H. R. 3380. An act for the relief of Frederick Sparks;

H. R. 3431. An act for the relief of Frederick S. Easter;

H. R. 3448. An act for the relief of John Solen;

H. R. 3546. An act for the relief of William H. Armstrong;

H. R. 3572. An act for the relief of Russell H. Lindsay;

H. R. 3624. An act for the relief of Hannah Parker;

H. R. 3646. An act for the relief of Herbert T. James;

H. R. 4172. An act to place John P. Holland on the retired list of the United States Navy;

H. R. 4252. An act for the relief of Thomas H. Burgess;

H. R. 4287. An act for the relief of Jacob F. Webb;

H. R. 4576. An act for the relief of James A. Hughes;

H. R. 4585. An act for the relief of Andrew Cullin;

H. R. 4600. An act for the relief of Frederick D. W. Baldwin;

H. R. 4835. An act to remove the charge of desertion from the records of the War Department standing against William J. Dunlap;

H. R. 4884. An act for the relief of Walter L. Watkins, alias Harry Austin;

H. R. 5126. An act for the relief of Henry Shull;

H. R. 5263. An act for the relief of Charles James Anderson, former commander, United States Naval Reserve Force;

H. R. 5858. An act for the relief of Charles Ritzel;

H. R. 6136. An act granting six months' pay to Constance D. Lathrop;

H. R. 6226. An act for the relief of Edward N. Moore;

H. R. 6674. An act to correct the military record of Willard Thompson, deceased;

H. R. 6847. An act to correct the military record of Thornton Jackson;

H. R. 6874. An act for the relief of James Madison Brown;

H. R. 7036. An act for the relief of John R. Anderson; and

H. R. 7348. An act for the relief of Joseph F. Becker.

PETITIONS

Mr. JONES of Washington presented a petition of members of the faculty of the State College of Washington, praying an amendment of the existing copyright law so as to include mimeographic copies as well as copies made by the photo-engraving process, which was referred to the Committee on Patents.

He also presented a petition of members of George W. Hovey Camp, No. 17, and Auxiliary No. 20, United Spanish War Veterans, in the State of Washington, praying for the passage of Senate bill 98, granting increased pensions to veterans of the Spanish-American War and their widows, etc., which was referred to the Committee on Pensions.

CORRECTION IN STATEMENT OF CROW INDIAN COUNCIL

Mr. WHEELER presented the following statement, which was referred to the Committee on Indian Affairs and ordered to be printed in the RECORD, as follows:

We, the undersigned, issued a statement on January 31, 1926, which was inserted in the CONGRESSIONAL RECORD on February 4, and it has been called to our attention that we made a mistake in that we stated: "We are denied by the men employed in the bureau, who are living in luxury out of the funds which belong to us, on the ground that it would interfere with the economy plan of the administration," whereas it is not the bureau here in Washington that is living off of funds belonging to us but the men employed by the bureau here in Washington but who live on our reservations.

We wish to state that we feel that the Indian Bureau has acted fairly with us, excepting with reference to our jurisdiction bills.

JAMES CARPENTER,
Chairman of the Council,
HARRY WHITEMAN,
FRANK YARLOTTE,
Crow Indian Tribe.

REPORT OF THE INDIAN AFFAIRS COMMITTEE

Mr. HARRELD, from the Committee on Indian Affairs, to which was referred the resolution (S. Res. 57) authorizing preparation of compilation of Indian laws and treaties, reported it with an amendment and submitted a report (No. 146) thereon.

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. SMOOT:

A bill (S. 3022) to establish in the Treasury Department a bureau of customs and a bureau of prohibition, and for other purposes; to the Committee on Finance.

By Mr. SWANSON:

A bill (S. 3023) for the relief of the estate of Sarah Harrison, deceased; to the Committee on Claims.

By Mr. RANSDELL:

A bill (S. 3024) granting the consent of Congress to the police jury of Morehouse Parish, La., or the State Highway Commission of Louisiana to construct a bridge across the Bayou Bartholomew at or near Point Pleasant, in Morehouse Parish; to the Committee on Commerce.

By Mr. CAPPER:

A bill (S. 3025) to provide for the election of the Board of Education of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. WILLIS:

A bill (S. 3026) granting an increase of pension to Alvina Straub (with accompanying papers); to the Committee on Pensions.

By Mr. TYSON:

A bill (S. 3027) making eligible for retirement, under certain conditions, officers and former 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; to the Committee on Military Affairs.

By Mr. BLEASE:

A bill (S. 3028) to divide the eastern district of South Carolina into four divisions and the western district into five divisions; to the Committee on the Judiciary.

By Mr. RANSDELL:

A bill (S. 3030) to carry into effect the findings of the Court of Claims in favor of Elizabeth White, administratrix of the estate of Samuel N. White, deceased; to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 3031) for the relief of George Barrett; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 3032) for the relief of the owner of barge *Dunmore;* to the Committee on Claims.

By Mr. FESS:

A joint resolution (S. J. Res. 51) providing for the completion of the Tomb of the Unknown Soldier in the Arlington National Cemetery; to the Committee on the Library.

CHANGE OF REFERENCE

On motion of Mr. WARREN, the Committee on Appropriations was discharged from the further consideration of the joint resolution (S. J. Res. 47) authorizing the Comptroller General of the United States to allow credit to contractors for payments received from either Army or Navy disbursing officers in settlement of contracts entered into with the United States during the period from April 6, 1917, to November 11, 1918, and it was referred to the Committee on Claims.

AMENDMENTS TO TAX REDUCTION BILL

Mr. McKELLAR and Mr. DILL each submitted an amendment intended to be proposed by them to House bill 1, the tax reduction bill, which were ordered to lie on the table and to be printed.

CONNECTING PARKWAYS IN THE DISTRICT

Mr. PHIPPS submitted an amendment intended to be proposed by him to the bill (H. R. 4785) to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public buildings appropriation act, approved March 4, 1913, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park, which was referred to the Committee on the District of Columbia and ordered to be printed.

AMENDMENT TO LEGISLATIVE APPROPRIATION BILL

Mr. BLEASE submitted an amendment intended to be proposed by him to the legislative appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

Strike out "21 pages for the Senate Chamber, at the rate of $3.30 per day each during the session, $8,038.80," and insert in lieu thereof "21 pages for the Senate Chamber at $1,020 per annum each, $21,420."

AMENDMENTS TO AGRICULTURAL APPROPRIATION BILL

Mr. OVERMAN submitted an amendment proposing to increase the appropriation for the acquisition of additional lands at headwaters of navigable streams, etc., from $1,000,000 to $2,000,000, intended to be proposed by him to House bill 8264, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

He also submitted an amendment intended to be proposed by him to House bill 8264, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

That the additional sum of $40,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to become immediately available and to continue available for expenditure during the fiscal year ending June 30, 1927, to enable the Forest Service, under the direction of the Secretary of Agriculture, to enlarge the Appalachian Forest Experiment Station and for its maintenance, for the purpose of conducting in North Carolina, Virginia, Maryland, West Virginia, Kentucky, and Tennessee, and in adjacent States, silvicultural and other forest investigations, independently or in cooperation with other branches of the Federal Government, with States and with individuals, to determine and demonstrate the best methods for the growing, management, and protection of timber crops on forest lands and farm woodlands.

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed the following acts:

On February 5, 1926:

S. 780. An act to amend section 2 of the act entitled "An act to incorporate the National Society of the Daughters of the American Revolution."

On February 6, 1926:

S. 1478. An act to authorize the transfer of the title to and jurisdiction over the right of way of the New Dixie Highway to the State of Kentucky.

CLAIMS ARISING FROM THE OCCUPATION OF VERA CRUZ (S. DOC. NO. 49)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State requesting the submission anew to the present Congress of the matter of the claims arising out of the occupation of Vera Cruz, Mexico, by American forces in 1914, which formed the subject of a report made by the Secretary of State to the President on February 4, 1924, and my message to the Congress dated February 7, 1924, which comprise Senate Document No. 33, Sixty-eighth Congress, first session, copies of which are furnished for the convenient information of the Congress.

I renew my recommendation originally made by President Harding that in order to effect a settlement of these claims the Congress, as an act of grace and without reference to the legal liability of the United States in the premises, authorize an appropriation in the sum of $45,518.69, and I bring the matter anew to the attention of the present Congress in the hope that the action recommended may receive favorable consideration.

CALVIN COOLIDGE.

THE WHITE HOUSE, *February 6, 1926.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed a bill (H. R. 183) providing for a per capita payment of $100 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States, in which it requested the concurrence of the Senate.

BOARD OF INDUSTRIAL ADJUSTMENTS

Mr. ROBINSON of Arkansas. Mr. President, I ask leave, out of order, to introduce a bill and to make a brief explanation of its provisions at this time.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the bill will be received.

The bill (S. 3029) to create a board of industrial adjustments and to define its powers and duties was read the first time by its title and the second time at length, as follows:

Be it enacted, etc.—

SECTION 1. That whenever, in the opinion of the President or of the Congress, an emergency exists in which the public health or safety is endangered respecting the production or distribution of anthracite or bituminous coal, or both, the President shall forthwith issue his proclamation declaring the existence of such emergency and convening in immediate session the board of industrial adjustments, hereinafter authorized, which board shall forthwith proceed to inquire into the causes of such emergency, to make findings respecting the same, and to make recommendations and take action for the termination thereof.

SEC. 2. That whenever the production or distribution of anthracite or bituminous coal, or both, has been suspended or interfered with because of strikes or lockouts, to the extent that trade or commerce in coal is seriously interfered with and the public health or safety is endangered thereby, an emergency respecting the production or distribution of coal shall be deemed to exist.

SEC. 3. There is hereby created a board of industrial adjustments, to consist of the Secretary of Labor, the Secretary of Commerce, and the Chief of the Bureau of Mines, and two citizens of the United States who are not engaged or financially interested in the production or distribution of coal, to be appointed by the President of the United States. The board shall be convened by proclamation of the President whenever, in his opinion or whenever in the opinion of Congress expressed by concurrent resolution, an emergency, as hereinbefore described, exists. Such board is empowered to conciliate differences, encourage arbitration and to inquire into the causes of such emergency, to find facts in relation thereto, and to recommend processes and methods whereby the causes of said emergency may be removed or terminated.

The said board may inquire into and report its findings respecting the practices and transactions of dealers in coal and suggest methods to protect the consumers of coal from extortion and oppression during the continuance of said emergency. The President, whenever in his opinion the circumstances and conditions justify, by proclamation may

declare that the emergency has terminated, after which the board of industrial adjustments shall take no further action than to publish such of its proceedings as it may deem necessary in the public interest.

SEC. 4. The said board of industrial adjustments is authorized to hold hearings, subpœna and examine witnesses, employ experts and other agents, compel the production of books and papers, and publish its proceedings in whole or in part as and when it may deem necessary.

SEC. 5. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of $100,000, or so much thereof as may be necessary, to be expended under the supervision of the board of industrial adjustments in executing the provisions of this act.

Mr. ROBINSON of Arkansas. Mr. President, I ask that the bill may be referred to the Committee on Education and Labor.

In explanation of the provisions of the bill I desire to say that it is proposed, whenever in the opinion of the President or of Congress an emergency exists in which the public health or safety is endangered respecting the production or distribution of coal, either anthracite or bituminous, the President shall issue his proclamation declaring the existence of such emergency and convening in immediate session the board of industrial adjustments proposed to be created by this bill. The board shall forthwith proceed to inquire into the causes of the emergency, to make findings respecting the same, to conciliate differences, to encourage arbitration, to make recommendations, and take action for the termination of the emergency.

The bill attempts to define the facts and conditions under which the President alone or Congress alone, by concurrent resolution, may declare the existence of such emergency, namely, that whenever the production or distribution of anthracite or bituminous coal, or both, has been suspended or interfered with because of strikes or lockouts to the extent that trade or commerce in coal is seriously interfered with, and the public health or safety is endangered thereby, an emergency respecting the production or distribution of coal shall be deemed to exist.

The bill provides for the creation of a board of industrial adjustments, to consist of the Secretary of Labor, the Secretary of Commerce, the Chief of the Bureau of Mines, and two citizens of the United States, to be appointed by the President, who are not interested in the production or distribution of coal.

The board is to be convened by proclamation of the President whenever, in his opinion, or whenever in the opinion of the Congress, expressed by concurrent resolution, an emergency as referred to in this statement is found to exist.

The board is empowered to conciliate differences, to encourage arbitration, to inquire into the causes of such emergency, to find facts in relation thereto, and to recommend processes and methods whereby the causes of such emergency may be removed or terminated.

There is another provision which I have inserted in the bill in order that it may receive consideration by the Congress, to the effect that the board is also authorized to inquire into and report its findings in relation to the practices and transactions of coal dealers and suggest methods for protecting the consumers of coal from extortion during the continuance of the emergency.

The bill provides further that whenever, in the opinion of the President, the emergency has passed he may so declare by proclamation, and after that the board of adjustments can only publish such of its proceedings as it may deem necessary in the public interest. It can not proceed with inquiries and recommendations.

The board is given the power to hold hearings, to compel the attendance of witnesses and to examine them, to compel the production of books and papers, and to publish its proceedings in whole or in part as and when it may deem it to be necessary.

Mr. BRUCE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Maryland?

Mr. ROBINSON of Arkansas. I yield to the Senator from Maryland.

Mr. BRUCE. I should like to ask the Senator from Arkansas to what clause of the Federal Constitution he refers the constitutional authority of Congress to pass such a bill as that?

Mr. ROBINSON of Arkansas. I do not think there is any question as to the constitutionality of this bill. The Congress has power to regulate commerce; the Congress has power to provide for the general welfare. I am aware of the constructions that have been placed on that provision of the Constitution.

The bill invokes the good offices of the Government to adjust controversies between mine operators and their employees. There never has been any doubt raised, during recent years at least, of the power of Congress to create boards of conciliation and mediation. The proposed board of industrial adjustments is essentially a board of mediation and conciliation, and it is also a fact-finding commission. It is not attempted in this bill to prevent combinations between coal-mine operators and miners to suspend or to diminish production. It is only attempted to ascertain the facts respecting the same, to make them public, to make recommendations for conciliation, and to encourage arbitration. I believe that is clearly within the authority of Congress.

Of course, as I stated some days ago in the discussion of this subject, there are limitations on the power of the President and there are limitations on the power of the Congress to deal with this question. I realize that there are many who now believe that the best thing that can occur to the people of this country is that the coal-mine operators and the strikers fight it out to the bitter end, in the belief that such a contest will prevent the recurrence of similar conditions in the future; but I recall, Mr. President, the fact that during the years that have succeeded the World War in almost every winter the country has been threatened and alarmed by controversies between the anthracite coal-mine operators and their employees. In every instance these controversies have brought discomfort, inconvenience, and, in some instances, suffering to the consumers of fuel. I know, too, that in this contest an effort has been made to find substitutes for coal for use as fuel, and that that effort has been, in part, successful; but I do not believe the Congress is justified in refraining from taking action or in refusing to consider the subject.

The subject was brought before the Congress in the message of the President at the beginning of this session. The Senator from New York [Mr. COPELAND] has made diligent efforts to bring about the termination of the conditions which he says, and which we all believe, have brought great suffering to thousands of people.

Mr. WALSH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Montana?

Mr. ROBINSON of Arkansas. I yield to the Senator from Montana.

Mr. WALSH. It is my recollection that a resolution was introduced here some time ago requiring the Commissioner of Internal Revenue to send to the Senate copies of the returns of the producers of coal in interstate commerce in the United States, with a view, I suppose, to ascertain how much profit they are making on the business, if they are making any profit at all, information that would be exceedingly illuminating, it seems to me, in this discussion.

I speak of it now because we are at this time confronted with the question of the public policy of making public income-tax returns. Obviously, in the case of coal, it would serve a useful purpose.

Mr. SMOOT. I think that report has been submitted to the Senate, I will say to the Senator.

The PRESIDENT pro tempore. The Chair will state that a report in response to its resolution has been received by the Senate.

Mr. SMOOT. I have examined it.

Mr. REED of Pennsylvania. Mr. President——

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

Mr. ROBINSON of Arkansas. I yield to the Senator from Pennsylvania at this time.

Mr. REED of Pennsylvania. Mr. President, the resolution referred to by the Senator from Montana was responded to by the Secretary of the Treasury; the information has been sent, and has been printed as a Senate document. It shows, in substance, that 112 out of 159 anthracite mining companies during the year 1924 either earned nothing or incurred a deficit.

Mr. WALSH. That is, on their returns?

Mr. REED of Pennsylvania. That is, on their returns. If they had committed perjury, I suppose the number would be larger; but there is no evidence that they have done so.

Mr. WALSH. Does the report show any inquiry by the bureau into the accuracy of the returns?

Mr. REED of Pennsylvania. The report does not show that; it was not asked for. I presume that the returns were audited, however, in the usual way.

Mr. WALSH. I suppose that if the bureau had actually revised the returns the report would show it; that would be within the scope of the request of the Senate, would it not?

Mr. REED of Pennsylvania. I am not prepared to say as to that.

The PRESIDENT pro tempore. May the Chair state to the Senator from Montana——

Mr. ROBINSON of Arkansas. I yield to the Chair. [Laughter.]

The PRESIDENT pro tempore. The Senator from Arkansas yields to the Chair. The Chair will state that the resolution to which the Senator from Montana refers was Senate Resolution No. 99, submitted by the junior Senator from Wisconsin [Mr. LA FOLLETTE] relative to Federal taxes based on corporation income tax returns for 1924 paid by each corporation engaged in mining anthracite coal. That resolution having been adopted, the reply to it was received by the Senate under date of February 3 and ordered to be printed.

Mr. WALSH. Mr. President, I merely desire to observe that it is within the knowledge of most of us that the bureau not infrequently declines to accept as accurate and complete the returns made by taxpayers, and itself makes inquiry into the matter.

Mr. WILLIAMS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. ROBINSON of Arkansas. Yes; I yield to the Senator from Missouri.

Mr. WILLIAMS. Will the Senator from Arkansas please tell us what provision is made in his bill in the event the Executive does not act? Does it then become competent for the House and the Senate, by joint resolution, to act? If so, what is the provision?

Mr. ROBINSON of Arkansas. I will explain that to the Senator. The provision is that either the President or the Congress may declare the existence of the emergency which invokes the action of the board, which I have styled the board of industrial adjustment. The President may on his own initiative declare the existence of such an emergency, and the Congress may by concurrent resolution—which means that the President need not sign the resolution—declare the existence of the emergency.

Mr. WILLIAMS. Does it give either the President or the Congress the preference in point of time?

Mr. ROBINSON of Arkansas. No; it does not. I do not know how it could do so.

Mr. WILLIAMS. There is nothing in the bill to indicate that the President should have the first opportunity to act or that the Congress should have the first opportunity to act?

Mr. ROBINSON of Arkansas. Of course, either may act whenever it is desired to act. The President, for instance, now has had the opportunity of undertaking the mediation or conciliation of this controversy. He has declined to do so, on the ground that the Congress has not authorized proceedings by the Executive. A case might arise in which the Congress would insist that such an emergency exists and in which the Executive may not find that the emergency exists, in which case the Congress by concurrent resolution may declare the existence of the emergency under this bill.

Mr. WILLIAMS. Does not the Senator think that the responsibility should be fixed either upon the President or upon the Congress?

Mr. ROBINSON of Arkansas. No; I think either ought to be free to declare the emergency whenever either finds that it exists. I think, in actual practice, the probability is that the Executive will declare the existence of the emergency.

Mr. WILLIAMS. Does not the Senator think that it is primarily an executive act as distinguished from a legislative act?

Mr. ROBINSON of Arkansas. Yes; primarily the declaration of an emergency is an Executive act.

Mr. WILLIAMS. Why, then, would not the Senator consider it fair to put the responsibility upon the Executive first?

Mr. ROBINSON of Arkansas. It is done in this bill. The President can declare an emergency at any time that he finds it exists, but if he fails to do so the Congress may also declare the emergency. Of course that is a matter of detail that I do not think it important to discuss at great length at this time.

Mr. WILLIAMS. It just occurred to me that victory in that race might belong to the speedier.

Mr. ROBINSON of Arkansas. But necessarily the Executive has the opportunity of declaring the emergency whenever he thinks the facts exist which justify that declaration.

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

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Mississippi?

Mr. ROBINSON of Arkansas. I yield to the Senator from Mississippi.

Mr. HARRISON. In what respect does that provision differ from the so-called Oddie bill?

Mr. ROBINSON of Arkansas. I can not state that.

Mr. HARRISON. May I ask the Senator a further question? If I recall correctly, the Senator from Nevada [Mr. ODDIE] introduced a bill some time ago—I do not recall whether it was reported out of the committee or not—and, as I recall, it was referred to the Secretary of Commerce. That was weeks and weeks and weeks ago; and the Secretary of Commerce, if I am reliably informed, has never yet reported upon that proposition.

Mr. ROBINSON of Arkansas. Mr. President, may I say in reply to the Senator from Mississippi that unless some other action is taken by the Senate, I shall expect consideration and action upon this bill in the early future.

I realize, as I said on a former occasion, that the subject is full of difficulties; but it is useless for the Congress to evade its responsibility touching this subject. We ought to empower some one, in so far as the Constitution permits us to do so, to deal with the question, so that the public may be protected against the annual recurrence of the closing down of the anthracite mines, or the bituminous mines for that matter.

Some question has been raised here about the income-tax returns of the operators. It is easily within the range of my thought that if the industry is closed down for a part of every year, if production is threatened with cessation in every season, neither the operators nor the miners can find their business profitable. I have no objection to, indeed, I recognize the inevitability of, contests respecting controversies likely to result in strikes; but I insist that the day is at hand when the millions who constitute the citizenship of this Republic should find some way, if it is possible, to protect themselves against the suffering which must inevitably result if the production and distribution of coal is seriously interfered with.

Mr. BRUCE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Maryland?

Mr. ROBINSON of Arkansas. I yield to the Senator from Maryland.

Mr. BRUCE. I should like to ask the Senator from Arkansas why the State of Pennsylvania itself—one of the most populous, one of the wealthiest, and one of the most influential States in the Union—should not be competent to take care of a situation like this?

The State of Pennsylvania has a governor. The State of Pennsylvania has a legislature. For all I know the State of Pennsylvania has a board of conciliation and mediation to deal with labor controversies. Why, therefore, should it be incumbent upon the President of the United States or upon the Congress to attempt to discharge a function of this sort?

I repeat that in my humble judgment there is not the slightest warrant of constitutional authority to be found anywhere in the Federal Constitution for such a bill as the bill that is now proposed; and I, for one, am sick and tired of having the Federal Government incessantly thrusting its hand into the very bosom of State authority.

Mr. ROBINSON of Arkansas. Mr. President, of course I regret the illness that has so seriously and suddenly seized my good friend the Senator from Maryland. I myself would much prefer that the necessity of Federal action should be obviated. The Senator has asked me why Pennsylvania, why other States, have not acted, and he has given us the illuminating suggestion that they all have governors and legislatures. That does not contribute a great deal to the solution of this problem. The fact is that the States have failed to act. The fact is that year after year since the war the country has been confronted with the condition that now exists or with the threat of this condition. For some reason the local police powers have not been invoked. For some reason we stand face to face with the situation described by the Senator from New York [Mr. COPELAND], and I for one am in favor of doing everything that the Federal Constitution permits the Congress to do to protect the public against the obstinacy of either the producers or the miners, or both.

Mr. WILLIAMS. Mr. President, may I make an inquiry of the Senator?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. ROBINSON of Arkansas. I yield to the Senator from Missouri.

Mr. WILLIAMS. The Senator admits by introducing the bill that there is a necessity for Federal action, either by the President or by the Congress?

Mr. ROBINSON of Arkansas. Yes; I not only admit it, I assert it.

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

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Indiana?

Mr. ROBINSON of Arkansas. I yield to the Senator from Indiana.

Mr. WATSON. I want to say that I am in perfect harmony with the proposition of the Senator. It is in line with the railroad labor bill that has been under consideration for some time, providing for mediation, arbitration, and conciliation in disputes in the transportation system of the country. In other words, it is arbitration and mediation carried to the last possible step. Beyond that the Senator is not asking to go.

Mr. ROBINSON of Arkansas. No; except as to publicity respecting the whole subject matter.

Mr. WATSON. Precisely. The Senator invokes no force.

Mr. ROBINSON of Arkansas. No.

Mr. WATSON. It seeks no military power. It is conciliation carried to the last possible step——

Mr. ROBINSON of Arkansas. And publicity.

Mr. WATSON. In which the power of the President, actual and potential, is invoked to bring about peace between the contending parties. I believe that is the right course to pursue. I believe that government fails and falls if, by reason of failure to act within the limits imposed by the Constitution, it permits a great number of its citizens to be either frozen or starved to death.

Mr. ROBINSON of Arkansas. I thank the Senator from Indiana.

Mr. BRUCE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas further yield to the Senator from Maryland?

Mr. ROBINSON of Arkansas. I have about concluded.

Mr. BRUCE. I hoped the Senator from Indiana had not concluded. I simply wanted to call his attention to the fact that the Railway Labor Board bill, of course, falls within the domain of interstate commerce. There can not possibly be any question about the power of Congress to provide for boards of mediation and conciliation for the purpose of keeping up the incessant movement of interstate commerce.

Mr. WATSON. Precisely; but the Senator bases this bill largely on the commerce clause of the Constitution, which has to do with the transportation of coal.

Mr. BRUCE. I did not so understand it.

Mr. ROBINSON of Arkansas. Oh, yes. The bill is somewhat carefully framed in that particular, although I have not had the advantage of the advice of my associates as I would have liked to have it in the preparation of the bill.

Mr. BRUCE. Will the Senator pardon me for just a moment?

Mr. ROBINSON of Arkansas. Certainly.

Mr. BRUCE. As far as the observations of the Senator a few moments ago on the bill are concerned, certainly they did not have the slightest reference in any way to interstate commerce.

Mr. ROBINSON of Arkansas. Oh, yes; the Senator could not have heard me.

Mr. WATSON. The Senator expressly stated it.

Mr. ROBINSON of Arkansas. The bill relates to an emergency concerning the production and distribution of coal——

Mr. WATSON. That is right.

Mr. ROBINSON of Arkansas. And, of course, the word "distribution" is even a broader term than the word "transportation."

Mr. WATSON. The only objection I had, which might be considered captious, was that it was not referred to the Interstate Commerce Committee, but to the Committee on Education and Labor.

The PRESIDENT pro tempore. The Chair will observe that the bill has not been referred at all.

Mr. ROBINSON of Arkansas. It is competent, of course, for the Senate to make whatever reference it thinks fit of the bill.

I suggested that it be referred to the Committee on Education and Labor, because it seemed to me that, if that committee has any jurisdiction, it is of a bill of this nature.

Mr. SWANSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Virginia?

Mr. ROBINSON of Arkansas. I yield.

Mr. SWANSON. It seems to me that there ought to be no objection to this bill. We are confronted with an emergency. As I understand this bill, when an emergency arises, either the President or the Congress can declare it. Then we will have a standing board, not credited for a specific occasion, but a standing board, to examine into the facts, ascertain who is right and who is wrong in the controversy, which involves the comfort of a hundred million people, possibly, as in these coal strikes, and make a report to Congress. Then Congress can exercise its function. I can see no objection whatever to a board to examine into the facts, to ascertain what is right, what the conditions are, and what authority has the power to save the people from such a calamity.

The bill refers to distribution. Anthracite coal produced in Pennsylvania is distributed all over the United States, certainly all through the eastern part of the United States, to various States. It goes to Virginia, it goes to the District of Columbia, it goes to Maryland, and it goes to other sections. When Pennsylvania can not settle a strike involving interstate commerce and the distribution of coal, then, as this bill provides, we should have a commission to find the facts, to find the cost of mining and distribution, and to make a recommendation as to what Congress can do under the Constitution to handle the situation.

Mr. REED of Pennsylvania. Mr. President——

Mr. ROBINSON of Arkansas. I am ready now to conclude my remarks. I do not intend to attempt to discuss all the features of the bill at this time, because I think it would be unfair to do so, in view of all the circumstances. I merely wanted to add one thought, but I yield if the Senator from Pennsylvania wishes to ask me a question.

Mr. REED of Pennsylvania. I thought the Senator had finished.

Mr. ROBINSON of Arkansas. I will finish shortly.

Mr. McLEAN. Mr. President, I want to ask the Senator a question.

Mr. ROBINSON of Arkansas. I yield.

Mr. McLEAN. Did we not have such a board at one time?

Mr. ROBINSON of Arkansas. No; not just like the one here provided for.

Mr. McLEAN. Are there not precedents for this?

Mr. ROBINSON of Arkansas. We have had a system of mediation and conciliation, and that has been frequently employed. Since the creation of the Railroad Labor Board I have not known very much of its activities.

Mr. McLEAN. I thought we had created boards of conciliation and mediation.

Mr. ROBINSON of Arkansas. Those boards were temporary. The temporary or permanent aspect of the board raises a question which I realize is worthy of serious consideration.

Mr. REED of Pennsylvania. Mr. President, I had the impression that in the Department of Labor at the present time there were a number of officials called conciliators.

Mr. ROBINSON of Arkansas. There are.

Mr. REED, of Pennsylvania. I wondered if the Senator could advise us about that.

Mr. ROBINSON of Arkansas. Oh, yes. We have had for a great many years employees of the Government whose business it is to go to communities where controversies respecting laborers or their employment or working conditions arise, and these mediators or conciliators talk over the matter with both sides and try to work out some agreement between the parties. But such proceeding would hardly be applicable to a case of this kind.

Mr. REED of Pennsylvania. I see the Senator's point, that it would not be as thorough as the inquiry the Senator calls for.

Mr. ROBINSON of Arkansas. No; it would be futile to seek to apply that machinery, as I see it, to the controversy between the anthracite mine operators and their employees.

Mr. REED of Pennsylvania. If the Senator will permit me one more question, I do not mean at all to debate the merits of the bill now; this is not the time to do it. But it occurred to me, in listening to the terms of the bill as the Senator described them, that it might more appropriately be referred to the Committee on Mines and Mining, which is now working on somewhat similar legislation. Has the Senator thought of that?

Mr. ROBINSON of Arkansas. Yes; I thought that out, and, frankly, I have been disappointed that the Committee on Mines and Mining have not reported a bill to the Senate. As I stated some moments ago, the President made a very forceful recommendation in his message to the Congress when we convened, and no action has been taken, and now it is said the President ought to use his good offices to settle this controversy. Then he says that the Congress has given him no power; that he asked for an authorization but that the Congress has treated it with indifference, and all the while the controversy has gone on.

Mr. SWANSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Virginia?

Mr. ROBINSON of Arkansas. I yield to the Senator.

Mr. SWANSON. When we had trouble in the coal mines in West Virginia, in which there was almost a state of civil war,

which existed for from 12 to 18 months and stirred the country more than any strikes or coal conflict that ever happened, I was chairman of the Committee on Education and Labor, and a measure of this character, though a little different, providing for an investigation and settlement of that strike, was referred to the Committee on Education and Labor. The Committee on Education and Labor has usually had charge of such measures and such legislation as is involved in this bill.

Mr. ROBINSON of Arkansas. Mr. President, on that point I want to use a little of my own time, because I never did get opportunity to answer fully the suggestion of the Senator from Pennsylvania.

When I prepared this bill, of course, I considered the question as to what committee it should be referred to. The Committee on Interstate Commerce is, I believe, the busiest committee of the United States Senate. I do not believe there is another committee of this body that has referred to it a greater multiplicity of questions, a greater number of difficult questions, that holds longer hours of hearing, than the Committee on Interstate Commerce, and I concluded for that reason that perhaps it would be best to send the bill to another committee, provided it could receive consideration by that committee. I did not ask that it go to the Committee on Mines and Mining, because it seemed to me that the jurisdiction perhaps lay quite as much in the Committee on Education and Labor, and the Committee on Mines and Mining has been considering some other measures and has taken no action.

We might just as well face the facts. The winter is passing. There are, as I have said, a great many people who believe that this fight ought to be permitted to go on to the finish, even though women and little children suffer and die because of the contest. There are a great many people who take that position, and there is much force in the suggestion that if the fight is permitted to go on until the suffering becomes so great that some one must yield or die, then he necessarily will yield.

I do not take the view of the subject that those who give that consideration to it seem to take. I believe we not only ought to take action which may afford some relief in the present emergency, but that we ought to have a law under which the Executive can act if another emergency arises, and I believe the existence of such a law and the existence of a tribunal created under the law would go a long ways toward securing agreements between the operators and their employees.

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

Mr. ROBINSON of Arkansas. I yield to the Senator from Mississippi.

Mr. HARRISON. I am delighted to know that the Senator seeks to have this bill sent to the Committee on Education and Labor. I notice that a bill introduced by Mr. ODDIE was referred to the Committee on Mines and Mining, of which he is chairman, on the 8th day of December last, the beginning of the session. That bill was referred to one of the administration heads, the Secretary of Commerce, as I understand, and from that day to this no report has been made on it, notwithstanding the fact that an emergency has existed. If I am correctly informed, the distinguished chairman of the Committee on Mines and Mining, the author of the bill, whether he was speaking for the administration or not I know not, is reported to have said that he did not think Congress ought to take action until the strike was settled. The Senator from Nevada is in the Chamber. Whether or not he gave any such statement as that and whether or not it is his view, or whether or not he is being handicapped by Secretary Hoover, I know not. But I am delighted to know that the bill introduced by the Senator from Arkansas is to go to the Committee on Education and Labor.

Mr. ROBINSON of Arkansas. Mr. President, the precedents are abundant for sending this bill to the Committee on Education and Labor. I am going to move, if it is necessary to do so, that it be sent there and test out the opinion of the Senate on that subject. The Committee on Education and Labor has on many occasions considered analogous measures, and it is peculiarly within the jurisdiction of that committee to receive this measure, which calls for the ascertainment of facts and for the adjustment of controversies which relate to labor.

With respect to the question asked me by the Senator from Montana and the discussion of that subject, namely, the income-tax returns of the coal-mine operators, I started to say—I do not think I was permitted to conclude the observation—that it is not possible that either the men who work in the mines or the men who own the mines can find their business profitable if in every season this condition of closing down is to be expected, and it seems to me that it is the duty of the Congress to deal with the question, in so far as we have the power to do so.

With respect to the suggestion of my good friend and able lawyer the Senator from Maryland [Mr. BRUCE], that the Congress has no power whatever to deal with the subject, there are many, many precedents for this legislation, and I do not think the Senator or anyone else can find any provision in the proposed bill that is obnoxious to any feature of the Constitution.

Mr. BRUCE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Maryland?

Mr. BRUCE. I thought the Senator was through.

Mr. ROBINSON of Arkansas. I have concluded.

Mr. BRUCE. I want to ask the Senator from Pennsylvania a question.

The PRESIDENT pro tempore. The Senator from Maryland is recognized.

Mr. SMOOT. I would like to know whether the debate——

Mr. BRUCE. I want to ask one question of the Senator from Pennsylvania.

The PRESIDENT pro tempore. Does the Senator from Utah wish to propound a parliamentary inquiry?

Mr. BRUCE. If the Senator will be so kind as to waive his inquiry for a moment, I know the Senator from Pennsylvania is peculiarly familiar with the law that pertains to mining operations, and I would like to ask him whether it has ever been held by the Supreme Court of the United States, or by any Federal court, that a mere strike in itself works such an interruption of interstate commerce as to confer upon either the President or the Congress the power to take such a strike in hand in any way, directly or indirectly.

Mr. ROBINSON of Arkansas. This bill does not attempt to do that.

Mr. REED of Pennsylvania. Mr. President, the bill contemplates, as I understood the speech of the Senator, that there must be first ascertained the existence of an emergency respecting the production and distribution of coal which endangers the public health or safety.

Mr. BRUCE. Mr. President, the production of coal or the preservation of public health are not fields for the exercise of Federal authority, except under special conditions.

Mr. REED of Pennsylvania. The best answer——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Pennsylvania?

Mr. BRUCE. I asked the Senator from Pennsylvania a question.

Mr. REED of Pennsylvania. The Senator asked me a question and yielded in advance, I understood.

Mr. BRUCE. I just want an answer to that question, because I know the Senator from Pennsylvania can answer it if anybody in this body can.

Mr. REED of Pennsylvania. The Supreme Court of the United States has directly ruled that the mining of anthracite coal is not within the jurisdiction of the Federal Congress, in spite of the fact that the majority of it is intended ultimately for shipment into other States.

Mr. ROBINSON of Arkansas. That ruling applies to all forms of manufacture. I stated that on a former occasion.

Mr. REED of Pennsylvania. This is not manufacture; this is mining. It has been directly ruled in a case involving the mining of anthracite coal. I am not objecting to this bill going to the Committee on Education and Labor. I have looked over the list of the members of that committee, and I see that there are two or three excellent lawyers on the committee, and I am glad there are, because I agree with the Senator from Maryland that if this bill gives any power to either the President or the Congress, then it is unconstitutional, because we have not the authority to grant that power.

Mr. BRUCE. I am very much obliged to the Senator from Pennsylvania——

Mr. ROBINSON of Arkansas. Will the Senator yield?

Mr. BRUCE. In just one moment. I was just about to say that I was very much obliged to the Senator from Pennsylvania, because, as I understood him, the Senator from Arkansas has such a very poor opinion of me as a constitutional lawyer that he even hinted that I must be ill to advance the construction I did advance.

Mr. ROBINSON of Arkansas. The Senator himself made the remark that he was sick and tired, and I replied to that with what I thought was a pleasantry, which I assumed everybody understood to be a play upon the Senator's own words. I have great respect for the ability of the Senator as a lawyer.

Mr. BRUCE. Mr. President, the Senator must admit that illness is just a little graver stage of indisposition than sickness.

Mr. ROBINSON of Arkansas. Before asking a reference of the bill I want to say that through the very agencies to which

the Senator from Pennsylvania has referred we have been doing the very same acts that are contemplated by the bill. Boards of mediation and conciliation have been acting in analogous cases for 25 years, and it is an astonishing thing to me that the question of constitutionality should have been waived until the present crisis has come and that it should be raised now in connection with the bill which I have introduced.

I ask unanimous consent that the bill which I have introduced by leave of the Senate may be referred to the Committee on Education and Labor.

The PRESIDENT pro tempore. The bill having been received by unanimous consent, unless otherwise ordered by the Senate, it will be referred to the Committee on Education and Labor.

THE COAL SITUATION

Mr. COPELAND obtained the floor.

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

Ashurst	Ferris	McKellar	Sackett
Bayard	Fess	McKinley	Schall
Bingham	Fletcher	McLean	Sheppard
Blease	Frazier	McMaster	Shipstead
Borah	George	McNary	Shortridge
Brookhart	Gerry	Mayfield	Simmons
Broussard	Gillett	Means	Smith
Bruce	Goff	Metcalf	Smoot
Butler	Gooding	Moses	Stanfield
Cameron	Hale	Norbeck	Swanson
Capper	Harreld	Norris	Trammell
Caraway	Harris	Nye	Tyson
Copeland	Harrison	Oddie	Underwood
Couzens	Heflin	Overman	Walsh
Dale	Howell	Pepper	Warren
Deneen	Johnson	Phipps	Watson
Dill	Jones, Wash.	Pine	Weller
Edge	Kendrick	Ransdell	Wheeler
Edwards	Keyes	Reed, Pa.	Williams
Ernst	King	Robinson, Ark.	Willis
Fernald	La Follette	Robinson, Ind.	

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present. The Senator from New York will proceed.

Mr. COPELAND. Mr. President, I ask that the clerk may read Senate Resolution 134, submitted by me on the 3d instant, in order that I may ask unanimous consent for its immediate consideration. It is now 10 minutes past 2, and I ask that with the understanding that a vote shall be taken at 20 minutes of 3, and that not more than half an hour of the time of the Senate shall be devoted to the consideration of the resolution.

The PRESIDENT pro tempore. Separating the two requests of the Senator from New York, the clerk will read the resolution, after which the Senator may prefer his request for unanimous consent.

The Chief Clerk read the resolution (S. Res. 134), as follows:

Resolved, That the President he requested to invite to the White House the committee of operators and miners, in order that he may urge upon them the national importance of an immediate settlement of the anthracite coal strike.

The PRESIDENT pro tempore. The Senator from New York asks unanimous consent for the immediate consideration of the resolution, with the provision that the vote be taken in 30 minutes. Is there objection?

Mr. METCALF. I object.

The PRESIDENT pro tempore. Objection is made.

Mr. COPELAND. I move that the Senate proceed to the consideration of Senate Resolution 134.

The PRESIDENT pro tempore. The Senator from New York moves that the Senate proceed to the consideration of Senate Resolution 134.

Mr. EDGE. I move to lay the motion on the table.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. The motion is not debatable.

Mr. ASHURST. I demand the yeas and nays on the motion to lay on the table.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FERNALD (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. JONES]. In his absence I withhold my vote.

Mr. McLEAN (when his name was called). I have a general pair with the junior Senator from Virginia [Mr. GLASS]. In his absence I withhold my vote. If I were privileged to vote I should vote "yea."

Mr. McKELLAR (when Mr. NEELY's name was called). The senior Senator from West Virginia [Mr. NEELY] is necessarily absent, as has heretofore been stated. If he were present he would vote "nay."

Mr. PEPPER (when his name was called). On this question I have a pair with the junior Senator from New Mexico [Mr. BRATTON]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE], and vote "yea."

The roll call was concluded.

Mr. FERNALD. I transfer my pair with the Senator from New Mexico [Mr. JONES] to the senior Senator from Iowa [Mr. CUMMINS], and vote "yea."

Mr. WATSON (when Mr. Wadsworth's name was called). The senior Senator from New York [Mr. WADSWORTH] is necessarily detained from the Senate. If he were present, he would vote "yea." He is paired with the Senator from West Virginia [Mr. NEELY].

Mr. JONES of Washington. I desire to announce that the senior Senator from Kansas [Mr. CURTIS] has a general pair with the Senator from Missouri [Mr. REED].

Mr. GERRY. I have been requested to announce that the Senator from Mississippi [Mr. STEPHENS] is detained from the Senate on official business.

The result was announced—yeas 38, nays 41, as follows:

YEAS—38

Bingham	Gillett	Moses	Shortridge
Butler	Goff	Norbeck	Smoot
Cameron	Hale	Oddie	Stanfield
Capper	Harreld	Pepper	Warren
Dale	Jones, Wash.	Phipps	Watson
Deneen	Keyes	Pine	Weller
Edge	King	Reed, Pa.	Williams
Ernst	McKinley	Robinson, Ind.	Willis
Fernald	Means	Sackett	
Fess	Metcalf	Schall	

NAYS—41

Ashurst	Ferris	La Follette	Simmons
Bayard	Frazier	McKellar	Smith
Blease	George	McMaster	Swanson
Borah	Gerry	McNary	Trammell
Brookhart	Gooding	Mayfield	Tyson
Broussard	Harris	Norris	Underwood
Caraway	Harrison	Nye	Walsh
Copeland	Heflin	Overman	Wheeler
Couzens	Howell	Ransdell	
Dill	Johnson	Sheppard	
Edwards	Kendrick	Shipstead	

NOT VOTING—17

Bratton	Fletcher	McLean	Stephens
Bruce	Glass	Neely	Wadsworth
Cummins	Greene	Pittman	
Curtis	Jones, N. Mex.	Reed, Mo.	
du Pont	Lenroot	Robinson, Ark.	

So the Senate refused to lay Mr. COPELAND's motion on the table.

The VICE PRESIDENT. The question recurs on the motion of the Senator from New York [Mr. COPELAND] to proceed to the consideration of his resolution.

Mr. HARRISON. I ask for the yeas and nays.

The years and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. SMOOT. Mr. President, may I ask what is the motion before the Senate? There seems to be a misunderstanding.

The VICE PRESIDENT. The question before the Senate is the motion of the Senator from New York [Mr. COPELAND] to proceed to the consideration of Senate Resolution 134.

Mr. SMOOT. There is no limit as to time embodied in the motion.

Mr. HARRISON. Regular order, Mr. President.

The VICE PRESIDENT. The Secretary will proceed with the calling of the roll.

The Chief Clerk resumed the calling of the roll.

Mr. McLEAN (when his name was called). In the absence of my pair, the junior Senator from Virginia [Mr. GLASS], I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. PEPPER (when his name was called). Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. FERNALD. Making the same announcement as before in reference to my pair and its transfer, I vote "nay."

Mr. FLETCHER. I have a general pair with the Senator from Delaware [Mr. DU PONT]. I am advised, however, that if present the Senator from Delaware would vote as I shall vote on the pending motion. I therefore am at liberty to vote. I vote "nay."

Mr. McLEAN. I find that I can transfer my pair to the Senator from Delaware [Mr. DU PONT]. I do so and shall vote. I vote "nay."

Mr. JONES of Washington. I was requested to announce the following pairs:

The Senator from Kansas [Mr. CURTIS] with the Senator from Missouri [Mr. REED]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from West Virginia [Mr. NEELY].

Mr. GERRY. I desire to announce that the Senator from Mississippi [Mr. STEPHENS] is detained from the Senate on official business.

The result was announced—yeas 38, nays 43, as follows:

YEAS—38

Ashurst	Edwards	Kendrick	Sheppard
Bayard	Ferris	La Follette	Shipstead
Blease	Frazier	McKellar	Simmons
Brookhart	George	McMaster	Smith
Broussard	Gerry	McNary	Trammell
Bruce	Harris	Mayfield	Tyson
Caraway	Harrison	Norris	Walsh
Copeland	Heflin	Nye	Wheeler
Couzens	Howell	Overman	
Dill	Johnson	Ransdell	

NAYS—43

Bingham	Fletcher	Means	Schall
Borah	Gillett	Metcalf	Shortridge
Butler	Goff	Moses	Smoot
Cameron	Gooding	Norbeck	Stanfield
Capper	Hale	Oddie	Underwood
Dale	Harreld	Pepper	Warren
Deneen	Jones, Wash.	Phipps	Watson
Edge	Keyes	Pine	Weller
Ernst	King	Reed, Pa.	Williams
Fernald	McKinley	Robinson, Ind.	Willis
Fess	McLean	Sackett	

NOT VOTING—15

Bratton	Glass	Neely	Stephens
Cummins	Greene	Pittman	Swanson
Curtis	Jones, N. Mex.	Reed, Mo.	Wadsworth
du Pont	Lenroot	Robinson, Ark.	

So Mr. COPELAND'S motion was rejected.

Mr. SMOOT obtained the floor.

Mr. SIMMONS. Mr. President——

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

Mr. SMOOT. Yes; I yield.

Mr. SIMMONS. I desire to state that I cast my vote with reference to both the motions which have just been voted on because the senior Senator from Utah [Mr. SMOOT] had stated that the main questions in controversy upon the tax reduction bill would go over until Monday and that only some remaining questions which would not provoke much debate would be taken up to-day.

Mr. SMOOT. I stated that we could not get to the much-controverted questions to-day.

Mr. SIMMONS. Let me make this statement: Upon that theory I thought we had sufficient time to take up the resolution relating to the coal situation. The Senator from New York [Mr. COPELAND] presented a unanimous-consent proposition which provided that there should be a half hour for debate and then a vote should be taken upon the resolution. That was not agreed to. The Senator from New York then made his motion to take up for consideration the resolution he offered. I asked the Senator from New York, if that motion prevailed, if he would insist upon keeping the matter before the Senate longer than the time he specified in his unanimous-consent request, and the Senator assured me that he would not.

Mr. HEFLIN. Thirty minutes.

Mr. SIMMONS. Thirty minutes; and upon that assurance I voted to take up the matter. I will ask the Senator from New York whether I am correct in that statement?

Mr. COPELAND. Mr. President, the Senator from North Carolina is entirely correct. Had this motion been favorably acted upon I had intended to ask for an immediate vote, without any discussion whatever. I wish there were some parliamentary way in which that could be done, because the first test vote indicated that a majority of the Senate favor action upon the coal matter; but certain Senators voted against the last motion, as I understand, because they did not wish to displace the tax bill. Neither do I.

Mr. UNDERWOOD. Mr. President, will the Senator from Utah yield to me?

Mr. SMOOT. I yield.

Mr. UNDERWOOD. The Senator from New York has just stated that the first vote indicated a desire to take up his measure. I voted with the Senator on the first vote because I did not want to gag him; I wanted to give him a chance to speak. Mine was one of the votes that fell in his column a moment ago. It was a courtesy to the Senator. I agree with the Senator that his resolution is of great importance, but I do not think there is any more important question before the Congress of the United States than this bill reducing taxes, and I would not vote to substitute any other measure for it, so that the first vote really was not a vote to take up the coal resolution.

Mr. SIMMONS. Mr. President, if the Senator will yield to me——

Mr. SMOOT. I yield to the Senator from North Carolina.

Mr. SIMMONS. I desire to say that my views about that matter are exactly the same as those of the Senator from Alabama. I would not vote to displace the tax bill except for a short period of time. If the motion had prevailed, and after the matter had been under discussion for 30 minutes, the Senator had not withdrawn it, if the Senator from Utah, the chairman of the committee, had not made the motion, I should then myself have made the motion that the Senate resume the consideration of the tax bill.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. SMOOT. So that there will be something before the Senate, I now ask to turn to page 216, leaf tobacco sold to a consumer.

Mr. NORRIS. Mr. President, I do not want to discuss that matter; but I should like to have the action on the amendment on page 135 reconsidered and then have it passed over.

Mr. SMOOT. I have no objection whatever to that course being taken.

Mr. NORRIS. Then on page 135, Mr. President, in line 5, I move to reconsider the vote by which the committee amendment was agreed to. The Senator from Utah is perfectly willing that that shall be done.

Mr. SMOOT. I have no objection, Mr. President.

Mr. KING. The Senator refers to the words "without assessment"?

Mr. NORRIS. Yes; just those words, "without assessment."

The VICE PRESIDENT. Without objection, the vote by which the amendment on page 135, line 5, was agreed to will be reconsidered.

Mr. NORRIS. Then I ask the Senator from Utah to let that amendment go over until I can look up the matter.

Mr. SMOOT. I have no objection to that, Mr. President.

The VICE PRESIDENT. The clerk suggests that the same amendment has been made in line 18.

Mr. NORRIS. Yes; the same amendment appears in line 18.

The VICE PRESIDENT. Also in line 22.

Mr. NORRIS. Yes.

The VICE PRESIDENT. Without objection, the votes will be reconsidered and the amendments will be passed over.

Mr. SMOOT. Now, Mr. President, I ask that we take up leaf tobacco sold to consumers, page 216.

Mr. SIMMONS. I will ask the Senator if there is not something else that can be taken up at this time. I shall have to send for some papers dealing with that matter.

Mr. McKELLAR. Do I understand that that amendment is to go over?

Mr. SIMMONS. Only temporarily.

Mr. SMOOT. Then, Mr. President, I ask to take up the provision on page 228, the tax on dues. The Senator from New York [Mr. COPELAND] asked me to call his attention to it, and I now do so.

Mr. KING. Is that the provision which imposes a tax upon admissions?

Mr. SMOOT. No; this deals with membership fees.

Mr. COPELAND. Mr. President——

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

Mr. SMOOT. I do.

Mr. COPELAND. How does this proposed tax differ from the one enacted by the House?

Mr. SMOOT. Not at all. There is not a word changed in the whole section.

Mr. COPELAND. I find on my desk a lot of complaints about this particular tax. I assume they have all been considered by the committee.

Mr. SMOOT. They have. We have letters from some riding clubs, and so forth.

The VICE PRESIDENT. The clerk calls attention to the fact that there is no amendment on page 228.

Mr. SMOOT. The Senator from New York desires to propose an amendment on that page, as I understand. This provision of the House bill was agreed to by the committee, but I told the Senator I would call it up.

Mr. COPELAND. I ask that it may be understood that I may propose an amendment later at that point.

Mr. DILL. Mr. President, before we leave that matter, do I understand that the bill as now written levies a tax upon admissions or cards to an entertainment given when the money all goes to a charitable purpose?

Mr. SMOOT. No; admissions to entertainments given for charitable purposes, as enumerated in the admission tax, are

free of tax; but that subject matter is not up at this time. That is an entirely different paragraph.

Mr. DILL. I thought it was up now.

Mr. SMOOT. No; the Senator will find that on page 224, under the heading "Tax on admissions and dues."

Mr. DILL. Has that been passed over?

Mr. SMOOT. We have not reached it yet.

Mr. REED of Pennsylvania. Mr. President, if the Senator will allow me, on page 226, in line 8, he will find that those admissions are exempt.

Mr. DILL. The reason why I ask the question is that under the present law they are not exempt as the law is adiministered and interpreted by the Internal Revenue Bureau.

Mr. SMOOT. Will the Senator let that go over until the subject matter comes up?

Mr. DILL. Certainly.

The VICE PRESIDENT. Amendments to the text will be in order after the committee amendments are disposed of.

Mr. SMOOT. Yes.

Mr. COPELAND. Are we on page 229 now?

Mr. SMOOT. On page 228. There is no amendment there; but I told the Senator I would bring up that part of the bill at this time if there was any particular question that he wanted to discuss.

Mr. COPELAND. Mr. President, I send to the desk an amendment which I ask to have stated.

Mr. SMOOT. If it is an amendment that the Senator wants to offer at this time, I ask unanimous consent that it may be considered now.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. KING. Is this on the question of admissions and dues?

Mr. COPELAND. No; it relates to athletic clubs.

Mr. KING. There is an amendment pending with respect to admission dues, to strike that out.

Mr. COPELAND. We will take that up at a later time.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The amendment offered by the Senator from New York is on page 229, line 10, after the word "university" and before the period, to insert a comma and the following:

and any athletic club which owns or leases and maintains and operates a gymnasium for the physical development of its members or whose members participate in organized athletic competition under the sanction of the Amateur Athletic Union of the United States or represented the United States of America in the Olympic games at Antwerp in 1920 or at Paris in 1924.

Mr. SMOOT. I will say to the Senator that if those clubs are to be exempt we had better exempt them all, because I know of no clubs in America that are better able to pay the tax than they are.

Mr. COPELAND. The thing I have in mind about this matter, if the Senator will permit me to say it, is that in the examination of men for the draft we found an amazing state of affairs. We found about 40 per cent of them defective physically. It seems to me that it would be a very proper encouragement of athletic organizations and athletic clubs, particularly those training men for the Olympic games or for taking part in activities of the Athletic Union, if we made an exception of clubs devoted to work of this sort. It is with that in mind that I present this amendment.

Mr. SMOOT. The tax is only $10 a year, and in the case of clubs of that kind that would be only a fraction of their entrance fees. I hope the Senate will not agree to the amendment.

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

The amendment was rejected.

Mr. FLETCHER. Mr. President, may I inquire of the Senator in charge of the bill, what became of the amendment on page 227, striking out lines 14 to 25? My memorandum is that that went over.

Mr. SMOOT. That is a part of the admissions title, and that all went over.

Mr. FLETCHER. So it has not been agreed to?

Mr. SMOOT. No. I should like to take up admissions now.

Mr. KING. I hope the Senator will let that go over. I have not the data here.

Mr. SMOOT. My colleague, however, asks that that go over. Then I will begin at the beginning, on page 19, the question of depletion.

The VICE PRESIDENT. The amendment at that point will be stated.

The CHIEF CLERK. On page 19 the Committee on Finance proposes to strike out:

(c) The basis upon which depletion, exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the same as is provided in subdivision (a) or (b) for the purpose of determining the gain or loss upon the sale or other disposition of such property, except that—

(1) In the case of oil and gas wells discovered by the taxpayer after February 28, 1913, and prior to January 1, 1925, and in the case of mines discovered by the taxpayer after February 28, 1913, the basis for depletion shall be the fair market value of the property at the date of discovery or within 30 days thereafter, if such wells and mines were not acquired as the result of purchase of a proven tract or lease, and if the fair market value of the property is materially disproportionate to the cost;

(2) In the case of oil and gas wells discovered by the taxpayer on or after January 1, 1925, in an area not proven at the date of such discovery, where the fair market value of the property is materially disproportionate to the cost, the basis for depletion shall be the fair market value at the date of discovery or within 30 days thereafter of the property proven by such discovery and included within the taxpayer's tracts or leases. In the case of oil or gas wells, each well producing oil or gas in commercial quantities shall be considered as having proven at least that portion of the productive sand, zone, or reservoir which is included in a square surface area of 160 acres having as its center the mouth of such well. In the case of the discovery of an oil or gas well by a person under an agreement whereby the cost of the well shall be shared with one or more other persons or whereby the cost of the well shall, if oil or gas in commercial quantities is not found, be shared with such other person or persons, then such well shall not be considered as having proven any part of a tract or lease held by such other person or persons.

(d) The depletion allowance based on discovery value provided in paragraph (1) or (2) of subdivision (c) shall not exceed 50 per cent of the net income of the taxpayer (computed without allowance for depletion) from the property upon which the discovery was made, except that in no case shall the depletion allowance be less than it would be if computed without reference to discovery value.

And in lieu thereof to insert:

(c) The basis upon which depletion, exhaustion, wear and tear, and obsolescence are to be allowed in respect of any property shall be the same as is provided in subdivision (a) or (b) for the purpose of determining the gain or loss upon the sale or other disposition of such property, except that—

(1) In the case of mines discovered by the taxpayer after February 28, 1913, the basis for depletion shall be the fair market value of the property at the date of discovery or within 30 days thereafter, if such mines were not acquired as the result of purchase of a proven tract or lease, and if the fair market value of the property is materially disproportionate to the cost. The depletion allowance based on discovery value provided in this paragraph shall not exceed 50 per cent of the net income of the taxpayer (computed without allowance for depletion) from the property upon which the discovery was made, except that in no case shall the depletion allowance be less than it would be if computed without reference to discovery value. Discoveries shall include minerals discovered or proven in an existing mine or mining tract by the taxpayer after February 28, 1913, not included in any prior valuation.

(2) In the case of oil and gas wells the allowance for depletion shall be 25 per cent of the gross income from the property during the taxable year. Such allowance shall not exceed 50 per cent of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowance be less than it would be if computed without reference to this paragraph.

Mr. COUZENS. Mr. President, I should like to ask the Senator from Utah if he has taken into consideration the amendment I proposed on page 22, line 16?

Mr. SMOOT. Following line 16?

Mr. COUZENS. Yes.

Mr. SMOOT. No. My attention has not been called to it.

Mr. COUZENS. Perhaps it is not in order at this time, but I desire to draw it to the Senator's attention. I propose, at the end of line 16, to insert another paragraph, to be numbered (3).

The VICE PRESIDENT. That would be in order at this time if it is an amendment to the committee amendment.

Mr. SMOOT. Yes.

Mr. COUZENS. It follows the amendment that is under discussion.

Mr. SMOOT. It has reference to the good will?

Mr. COUZENS. The good will, the organization, the manufacturing ability, and so on, that has been capitalized heretofore in arriving at the value.

Mr. SMOOT. The committee have not yet considered or passed upon that amendment. It was filed in the Senate since our last meeting. If the Senator desires, we will pass over this amendment, and then, after the committee meeting, I will

report to the Senator exactly what the committee decides; and then I will open the whole question if the Senator desires it.

Mr. COUZENS. I think that would be better.

Mr. SMOOT. Yes; I think so.

Mr. KING. Was the section passed over?

Mr. SMOOT. No. If we agree to the committee amendment, then when the committee meet we will consider the Senator's further amendment, and if the committee agree to it, of course there will be no question about its going in.

Mr. COUZENS. Then I understand that in the meantime the paragraph as a whole will go over?

Mr. SMOOT. I thought we might agree to this committee amendment.

Mr. COUZENS. I should like to discuss it before that is done.

Mr. FLETCHER. Mr. President, before we agree to it it strikes me that there is a provision in the amendment as proposed by the committee that is very far-reaching and unfair, and great advantage may be taken of it. On page 22, line 5, I think we ought to strike out, after the word "value," the rest of that provision, beginning with the word "Discoveries." I refer to the provision reading:

> Discoveries shall include minerals discovered or proven in an existing mine or mining tract by the taxpayer after February 28, 1913, not included in any prior valuation.

I move to strike out those words.

Mr. SMOOT. If the Senator from Michigan asks that it go over——

Mr. COUZENS. I think it should go over, because there will be considerable discussion with respect to paragraph 2. That is the provision providing for a 25 per cent credit for oil and gas wells. I do not believe the Senate understands it, and I think the Senator from Florida has very appropriately drawn it to the attention of the Senate.

Mr. SMOOT. The amendment offered by the Senator from Florida has nothing to do with oil.

Mr. COUZENS. I would like to ask the Senator from Florida if he does not propose to strike out lines 9 to 16, on page 22?

Mr. SMOOT. That applies only to metal mines.

Mr. FLETCHER. I have not dealt with subdivision (2) at all.

Mr. COUZENS. I doubt if anyone is prepared with sufficient data to approve subdivision (2). It certainly needs some discussion. I admit that there has been a conference between the chairman of the committee and myself on the matter, and personally I am in favor of striking out that whole subdivision. It seems to me that if Senators understood it they might, perhaps, agree to a different percentage; but at least they ought to understand the facts before they agree to it. I say that not in opposition to the Senator from Utah, because I confess that I myself am somewhat at a loss as to how it should be reached.

Mr. KING. Let the amendment go over.

Mr. SMOOT. It may go over; but I want to say, in relation to the percentages, that there is bitter criticism on the part of the producers of this 25 per cent limitation. They claim that it is cutting down their rights to-day to a great extent, claiming that at the very least it should be 35 per cent. In my opinion 25 per cent is about right. It may be a little low, but I would not be in favor of increasing it above 25 per cent, as I have told the Senator from Michigan a number of times.

Mr. COUZENS. I know the Senator has given a great deal of consideration to this matter, but the whole question is very much involved and is dealt with at length in the committee report.

This discovery value was first put in the law to encourage wildcatting in the oil fields. The records show very clearly that the so-called wildcatter has not received the benefit of this discovery value for depletion. So far as I may speak for the committee which investigated the Internal Revenue Bureau, I think it was generally felt that this whole discovery value should be repealed, and that depletion should be based upon cost rather than a value fixed at the time of the discovery, or within 30 days thereafter.

Mr. SMOOT. As there is a request to have it go over, I shall not object to that course. I will ask the Senator from North Carolina if he is now prepared to go on with the leaf tobacco amendment?

Mr. SIMMONS. Yes; but the Senator from Tennessee [Mr. McKELLAR] is not in the Chamber.

Mr. SMITH. To what amendment does the Senator refer?

Mr. SMOOT. The leaf tobacco amendment on pages 216 and 217 of the bill.

Mr. SMITH. May I ask the chairman of the committee, before he goes to that, to turn to page 84 of the bill? The other day we had some discussion about mutual insurance companies. Parties interested in the provision have come to me and have made an explanation, which I think ought to be brought to the attention of the Senate.

In paragraph 11, where "casualty or fire" has been stricken out——

Mr. SMOOT. Casualty companies are provided for right after that. We had to do that, because we took mutual fire-insurance companies out of that paragraph and put them in paragraph 10.

Mr. SMITH. Just one moment. They were placed in paragraph 10, and that may take care of the condition there; but I call the attention of the Senate to this fact: Under paragraph 11 we provide for "mutual hail, cyclone, or casualty insurance companies by associations, the income of which is used or held for the purpose of paying losses or expenses." Let me show the Senate what occurs under that provision. These mutual fire insurance companies, as they operate in my State and other States, sometimes make assessments great enough to meet the average losses. I want the attention of the chairman of the committee to this matter, because I want to know wherein those who have come to me have erred in their representations to me.

Mr. SMOOT. Let me ask the Senator to what he is referring?

Mr. SMITH. Where the committee has stricken out "fire" in paragraph 11.

Mr. SMOOT. Is the Senator going to discuss fire or cyclone or casualty insurance companies?

Mr. SMITH. Fire-insurance companies, where the committee has stricken "fire" out; because they have put "casualty" back.

These mutual fire-insurance companies make assessments only to cover possible losses. Sometimes they make a partial assessment, sometimes they make an assessment to cover the amount of the loss, under the law of averages. They have insurance for nobody but their own members. No dividends are declared. Let us say that this year they have made an assessment, and next year they have not a single fire. They have sometimes run as many as five years without a fire. They have their money deposited in savings banks, and a certain amount of interest has accrued, say $50. Then the 15 per cent does not apply, because whatever interest they do get is 100 per cent taxable, they having no other income, as is required in paragraph 10.

Mr. REED of Pennsylvania. Why should they be exempt from taxation? If they get interest on bank deposits, why should they not pay a tax on it, just as the Senator does?

Mr. SMITH. I will show the Senator why. The next year they have fires, and they make no assessment. This money is paid out and meets the casualties that occur. They have, on an average, not one dollar in excess over what it takes to meet their requirements, taking a 5 or 10 year period, because the interest that accrues to their credit is simply added to what they have, and it carries their insurance.

Mr. SMOOT. The Senator must admit that it reduces the premium they have to pay.

Mr. SMITH. There are no premiums.

Mr. REED of Pennsylvania. It reduces the assessment.

Mr. SMITH. There are no premiums.

Mr. SMOOT. Then let us say "assessment."

Mr. SMITH. "Assessment" is a better word.

Mr. SMOOT. Perhaps it is, but it means the same in the end.

Mr. SMITH. Then why did the committee leave the others in the bill?

Mr. SMOOT. We explained that the other day, and I can explain it briefly now, if the Senator will permit me.

Mr. SMITH. Compare hail and fire insurance companies.

Mr. SMOOT. Taking fire insurance, not only among the farmers but covering all business in the United States, the losses are estimated down to a very close figure; but no one can tell when a cyclone will occur, no one can tell when there will be a casualty, and it is companies covering such things as that which we do not limit to 85 per cent of the membership.

Mr. SMITH. Consider the principle that is involved. Here are a lot of people who want to escape from the onerous burden that is imposed on them.

Mr. SMOOT. Onerous burden?

Mr. SMITH. It is onerous. I am not talking about carrying fire insurance in an ordinay company. These people meet together for mutual protection, they do not pay dividends, they do not run the great financial institutions of the country, as the ordinary fire and life companies do now;

they only provide for self-protection. Incidentally, one year they have a little money in excess of what is necessary to take care of the fire losses, and immediately it is seized upon and taxed. Under the same principle, the company which insures against damage by hail, though the probabilities have not been worked out as accurately as they may have been worked out as to fire, should be taxed. The principle is identically the same. The company may have a little excess. There may not be a hailstorm for two or three years. In the meantime, the money they have collected has drawn a little interest. Under this bill that is not subject to tax, but the money accumulated by the fire company is taxed.

Mr. SMOOT. Mr. President, this is word for word what is provided in existing law to-day. We are not changing the law as to mutual fire-insurance companies one iota. They are free from taxation under this provision up to 85 per cent of the business of the mutuals. If the mutuals write more than 15 per cent of their business on the outside, then they are not altogether mutual companies, and they come in direct competition with the other companies.

Mr. SMITH. The Senator misses my point.

Mr. SMOOT. No; I see the Senator's point exactly. They want to get out from under all forms of taxation.

Mr. SMITH. I do not want them to.

Mr. SMOOT. That is what they want, and they will not be satisfied until they do.

Mr. SMITH. If they make an assessment on their members and get in for this year about what they think will take care of the casualties, and there happens to be no fire at all, the next year there may be enough to take it all, and perhaps they will have to go to the bank for a loan.

It has happened that the fires which occurred were sufficient in number to absorb every dollar the companies had on hand, and they would have to go and borrow money from the bank, and then assess their members to repay that loan. No dividends are paid. The money is only used for the purpose of mutual protection. Suppose they have a residuum of $500 and it is put in a bank to take care of any casualties, supplemented by an assessment in case fires occur, and that draws $10 interest. Under the terms of this bill it is taxable.

Mr. SMOOT. The representatives of the fire-insurance people have come to me time and time again. The proposition the Senator brings up they have just thought of, after the reason was given here the other day as to why casualty companies and hail companies were taken care of.

Mr. SMITH. Why did the House put it in?

Mr. SMOOT. I am not speaking for the House. I do not know anything about the reason for what the House did.

Mr. SMITH. There can be nothing clearer. There is no equity, no justice, no justification for such a requirement in paragraph 11 upon the exigency of the companies having a little residuum which accidents may not absorb. No matter how much it may be, because it is not in excess of the assessment that year, it is taxed instantly.

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

Mr. SMITH. I yield.

Mr. HARRIS. The companies make assessments based on the average losses, but in one year the losses may be light, and they keep the money in the treasury; the next year the losses may be higher and they will have to pay it all out.

Mr. SMITH. They may not only have to pay it out, but may have to make an extra assessment. When there is an amount left over in an entirely mutual proposition, under the terms of the bill the whole amount will immediately be taxed. It might be possible that they are fortunate enough to escape the fire casualty for a year or two, and the interest may accrue so that these people may be able to offset half or two-thirds of their casualty losses; but nobody gains anything from the assessments but protection, and therefore the House, it seems to me very wisely, left the provision in the bill. The Government would not get much from it anyhow, and such a provision would encourage measures for mutual protection on the part of those who are not able to carry premiums from year to year.

Mr. SMOOT. If the Senator is right, such a company could make a deduction, because in paragraph (11), on page 92, we have this provision:

(11) In the case of mutual insurance companies (including interinsurers and reciprocal underwriters, but not including mutual life or mutual marine insurance companies) requiring their members to make premium deposits to provide for losses and expenses, there shall be allowed, in addition to the deductions allowed in paragraphs (1) to (9), inclusive, unless otherwise allowed, the amount of premium deposits returned to their policyholders and the amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves.

Mr. SMITH. That does not answer at all, because paragraph (11) explains itself. It needs no indirection. It needs no further explanation of the paragraph itself, which provides for—

Farmers' or other mutual hail, cyclone, or casualty insurance companies or associations the income of which is used or held for the purpose of paying losses or expenses.

It explains itself. It does not need the Senator from Utah to turn over seven or eight pages to get a lot of extra verbiage. It is plain, simple, and to the point where the income is held for the purpose of paying losses or expenses, not for the purpose of profit, not for the purpose of depositing in the bank, not for the purpose of creating a fund like our fire-insurance companies do, now the richest companies in the world, but for mutual protection and the payment of losses and expenses. But if they happen to have a little residuum that draws some interest to help pay the existing fire losses, then the Senator proposes to seize upon it instantly and levy a tax upon it. That is all there is to it.

Mr. SMOOT. Of course it is very nice to talk about relieving everybody of taxes. Nobody wants to pay taxes. I am perfectly well aware of that.

Mr. SMITH. It is not that proposition at all.

Mr. SMOOT. It would be a very popular thing to say that we will wipe out all taxes.

Mr. SMITH. It is not fair for the Senator to say that.

Mr. SMOOT. I might be in favor of abolishing all taxes, but we have to raise revenue, and therefore it is necessary to have taxes.

Mr. SMITH. I want to call attention to the fact that the Senator has no right to say that anyone in this body is foolhardy enough to stand here pleading for no taxes. I am taking the principle which the Senator has incorporated in the bill, which is that mutuals shall be exempted, and yet he proceeds to eliminate the farmers' mutual fire, hail, and other companies of a similar character. Why does the Senator make fish of one and fowl of the other when they both represent the same principle?

Mr. SMOOT. On the Senator's theory we had better take out life insurance companies and put them all in the same category.

Mr. SMITH. I would say that immediately if we had a mutual life insurance company, but we have not.

Mr. SMOOT. Yes, there are benevolent life insurance companies all over the United States.

Mr. SMITH. They may be benevolent, but they do not come in the same category.

Mr. SMOOT. The same identical paragraph covers them all, and they are taxed in exactly the same way.

Mr. SMITH. I am talking about what the Senator has included in the paragraph we are discussing.

Mr. SMOOT. We had better take out mutual——

Mr. SMITH. No; I am not proposing to take out anything. I am going to try to retain what the House bill provides and what we have put in the law from time to time, and what there is in section 10. That is all I am trying to do. I am taking the committee at their own suggestion, that they want to encourage the mutuals because they have exempted them from taxation where they involved a mutual principle for protection. Now, here is the case of a company which comes and says, "We want to insure ourselves against hail, against cyclone, and to have casualty insurance against accidents," and the committee say, "All right, we will exempt you." The company organizes in rural communities where they are subject to fire and say, "We want to organize not for any profit, but simply to cover the losses on certain buildings, and we want to collect just enough for that purpose."

But now the committee proposes to exclude them. Why? We do not have to go far to find out why. It is because there are already established great fire insurance companies with whose business the mutual plan interferes. That is the reason why. I had been hoping that I would not have to say that, but many a poor fellow has been lynched on less evidence than the situation discloses in that respect. It is because we have already established great fire insurance companies that the mutual companies might interfere with, and therefore when the people want to combine for their mutual protection under the law of averages and the law of casualties, they are forbidden to do so if they have a surplus remaining with which to protect themselves, because we already have established the great fire insurance companies.

Let us be fair about it and put the word "fire" back in paragraph (11) where it applies. The wording is all right. I hope that the committee amendment may be rejected. I move first, however, to reconsider the vote by which the committee amendment was agreed to.

The VICE PRESIDENT. The Senator from South Carolina moves to reconsider the vote by which the amendment in line 22, on page 84, was agreed to.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Bayard	Ferris	King	Sheppard
Bingham	Fess	La Follette	Shipstead
Blease	Fletcher	McKellar	Shortridge
Brookhart	Frazier	McKinley	Simmons
Broussard	George	McLean	Smith
Bruce	Gerry	McMaster	Smoot
Cameron	Gillett	McNary	Stanfield
Capper	Goff	Means	Stephens
Caraway	Gooding	Metcalf	Trammell
Copeland	Hale	Moses	Tyson
Couzens	Harreld	Nye	Walsh
Cummins	Harris	Oddie	Warren
Dale	Harrison	Overman	Weller
Deneen	Heflin	Pepper	Wheeler
Dill	Howell	Pine	Willis
Edge	Johnson	Reed, Pa.	
Ernst	Jones, Wash.	Robinson, Ind.	
Fernald	Kendrick	Sackett	

The VICE PRESIDENT. Sixty-nine Senators having answered to their names, a quorum is present.

Mr. REED of Pennsylvania. Mr. President, I think a word of explanation might be given to clear up the situation with reference to mutual insurance companies. In the 1924 revenue law it was desired to encourage the formation of mutual insurance associations for all purposes. It was provided that they should be exempt from taxation in the ordinary case, but in order to prevent the exemption being abused, in order to prevent investors from organizing sham associations that were really investment companies, we provided that they should only be exempt if 85 per cent of their income consisted of the contributions that came from their members for the purpose of meeting their expenses and their losses. If that were so, then even though the other 15 per cent might be accrued investment income, interest on bonds, or dividends or what not, the whole business was exempt. We thought we were pretty liberal in that provision.

In the two years that have intervened since we did that it has been discovered that there are certain mutual insurance companies, such as those which insure against cyclones, hail, and other calamities of nature that do not occur with any regularity, that do not have to make any assessments at all in some years because those are years of no calamity; and it was found that the provision as it was written in the law of 1924 did not protect them, because in those years, as they made no assessments, whatever interest they might receive on their bank balances would be subject to taxation. It was not a very important question anyway, because all corporations get a two-thousand-dollar exemption, and most of the companies referred to did not get over $2,000 of interest or dividends; so they were exempt under that provision if not under this one.

However, the House of Representatives wanted to take care of those companies whose risk was sporadic and whose assessments were not regular, so they put in the provision which Senators will find on page 84, in the last four lines of the page. That is a new provision this year; it never has been in the law before. That, in effect, provides that insurance associations against hail and cyclone and casualty or fire shall be exempt from taxation completely, regardless of the amount of their income that comes from assessments.

The Finance Committee thought that was all right so far as the hail, cyclone, and casualty companies go, but all the mutual insurance companies against fire hazard that we knew anything about levied fairly regular assessments each year, and their experience was that their losses ran along with fair regularity each year; there was not such an intermittent quality in their losses and in their assessments as entitled the others to a separate treatment. So the Finance Committee struck out "fire" from this new clause and put the fire-insurance companies back under the same law that they are under at this minute, under the act of 1924. We have not done anything to them. They have drenched the Senate with letters and appeals protesting against what they call discriminatory treatment. I want to assure the Senate that we have left them entirely where they have been. In fact, by other provisions of the bill which do not relate to this item, we have helped them in various ways; for example, by exempting their reinsurance payments.

Mr. COUZENS. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Michigan?

Mr. REED of Pennsylvania. I am glad to yield.

Mr. COUZENS. Has anyone made an estimate of the effect it would have upon the Treasury by retaining the word "fire" in section 11, line 22?

Mr. REED of Pennsylvania. I never saw any such estimate and never heard of one.

Mr. SMOOT. I call the Senator's attention to the fact that these insurance companies, and all insurance companies—in fact, all corporations—are exempt up to $2,000. If a mutual fire-insurance company should have $50,000 in bank on deposit and the bank pays 4 per cent on that money for the year, making $2,000 a year, the mutual company would not pay a penny of tax. If it had $100,000 in the bank and the bank paid 4 per cent, the interest would amount to $4,000, and, with a $2,000 exemption, it would make net gains of $2,000. The tax would be 12½ per cent on $2,000. That is all there is to this proposition.

Mr. REED of Pennsylvania. Mr. President, in conclusion I wish to say a word about this section in which these paragraphs occur. Congress is making trouble for itself, it seems to me, because every time a tax bill comes up we add additional items to the list of exemptions. The fundamental unfairness of this bill comes from its exemptions. There is no reason in the world why all citizens should not pay alike on their income from their investments, and yet by adding to this list a class of entirely praiseworthy institutions we have given many exemptions, and each of them brings in its train an appeal for a dozen more. I ardently hope that the joint committee on taxation which we propose to create in this bill will give its attention to the question whether it is American to exempt some citizens wholly from the tax burden that their fellow citizens are carrying.

Mr. WILLIS. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. REED of Pennsylvania. I will.

Mr. WILLIS. I desire to ask a question of the Senator. I quite agree with the Senator's general view that we do not desire to load up the bill with new exemptions; but his statement that the committee is not discriminating against the mutual fire-insurance companies, it seems to me, is hardly in harmony with what the committee is recommending in lines 21, 22, 23, and 24, on page 84.

I have not given the subject the study which the Senator from Pennsylvania has; he knows I greatly respect his judgment, but it does seem to me that the Senator and his committee have discriminated against the farmers' fire-insurance companies. If we are going to do away with exemptions, why did the Senator provide in his amendment that mutual hail insurance, cyclone insurance, and casualty insurance companies shall be exempt, but that the farmers' mutual fire-insurance companies shall not be exempt?

Mr. REED of Pennsylvania. The Senator from Ohio will look at pages 170 and 171 of the comparative print, the one that is bound in red; he will see that we have left the mutual fire-insurance companies just where they are, under the act of 1924; but we did not approve of giving them this special exemption accorded to hail, cyclone, and casualty companies, because experience has shown that the hail, cyclone, and casualty companies go through a long period without assessments and without casualties or cyclones or hail storms. In other words——

Mr. WALSH rose.

Mr. REED of Pennsylvania. The intermittent quality of their business is different from the fair regularity of the business of fire-insurance companies.

Mr. WILLIS. If the Senator from Montana [Mr. WALSH] will permit me for just a moment, I desire to state the situation which confronts us in the State which I in part represent in order to see whether the Senator from Pennsylvania thinks those companies are entirely protected by the provisions of this bill.

In Ohio there are numerous farmers' mutual fire-insurance companies, organized by the farmers in the belief, at least, that thereby they save large overhead costs and secure insurance at a lower rate than they otherwise would be able to secure it. I know personally that those companies have been of tremendous benefit. Whether this saving clause in the bill, the 85 per cent clause, will cover those companies I do not know, because I have not the detailed information as to their methods of financing. However, in the opinion of the Senator from Pennsylvania, are those companies exempt?

Mr. REED of Pennsylvania. Yes, Mr. President, the vast majority of them are. We have a great number of them in Pennsylvania; I have been in correspondence with them for several weeks, and most of them are entirely satisfied with the provisions of the bill as they stand.

Mr. WALSH. Mr. President, I understand the Senator from Pennsylvania to say that the provision of the present law applicable to mutual fire-insurance companies is continued in force?

Mr. REED of Pennsylvania. Yes; the Senator will see that if he will glance at page 170 of the comparative print. On the left page is given the present law and on the right page is given the bill now before the Senate.

Mr. WALSH. Yes; but what I want to understand from the Senator is, What is the provision of the pending bill which continues in force and effect that provision of the present law?

Mr. REED of Pennsylvania. Paragraph 10, on page 171 of the comparative print, does that. It is on page 84 of the ordinary print. Paragraph 10 continues the farmers' mutual fire-insurance companies under the same provisions as at present.

Mr. BROOKHART. Mr. President, there was an amendment adopted to paragraph 10, on page 84. I have the full language here, and, with the amendment, the law will read in this way:

(10) Benevolent life-insurance associations of a purely local character, farmers' or other mutual fire-insurance companies, mutual ditch or irrigation companies, mutual or cooperative telephone companies or like organizations; but only if 85 per cent or more of the income—

Now, here is the amendment—

exclusive of payments from reinsurers on account of losses or by reinsurers on account of premiums—

And then the text—

consists of amounts collected from members for the sole purpose of meeting losses and expenses;

Mr. WILLIS. Is the Senator now reading the present law?

Mr. BROOKHART. No; I am reading the bill as amended the other day.

Mr. SMOOT. In other words, we have extended the existing law by that amendment. Eighty-five per cent is exclusive of the payments set forth in the amendment, as stated by the Senator.

Mr. REED of Pennsylvania. Mr. President, I do not want to get too technical, because I think it merely adds to the confusion, but may I explain just where the principal complaint has come from? A great many of the farmers' mutuals very prudently reinsure a part of the risks which they assume, and the Bureau of Internal Revenue has rather recently said that payments by reinsurers to help bear losses that have been reinsured are to be treated as if they were investment income in calculating this 85 per cent.

That is wholly unfair to the associations; we thought that ought to be corrected, and that is the reason why we inserted the parenthesis to which the Senator from Iowa [Mr. BROOKHART] has just called attention. Therefore in calculating the 85 per cent ratio no account shall be taken of anything that is paid to these associations by reinsurers.

Mr. SHIPSTEAD. Mr. President, I think the Senator from Pennsylvania is right when he says that fire losses do not vary so much as tornado and hail insurance losses; that is, in the case as of large fire companies doing business over a considerable portion of the United States. Many of the local farm mutual cooperatives are of such a small scope that they cover only a limited area and sometimes go for three or four years without having any losses. Then the law of averages suddenly gives them a year of great loss. Therefore there is a great variation in their losses, and, for that reason, in my opinion, they should come within the same provision as the mutual hail, cyclone, and casualty insurance companies.

I think it is absolutely necessary that the House provision be restored to the bill. On yesterday I saw the national secretary of all of these farmers' mutual insurance companies, and he told me that this Senate committee amendment would injuriously affect many of the smaller companies. The large companies will not come under this provision, but there is a great deal of variation in the loss incurred by the smaller companies.

It should be remembered that when we come to impose an income tax the principle is that we shall tax profits and not losses. An actual mutual fire-insurance company has no profits; its income comes from its members, they are assessed to pay losses and no one gets a profit out of it. Therefore there should be no tax. I think it is violating the principle of the income tax law even to require them to make returns. Some of these small companies have a secretary who possibly receives a salary of about $25 or $50 a year, and the making even of a return requires, on behalf of many of them, an expert accountant. One secretary told me that his company had to pay an accountant $300 in order to make a return.

Mr. HARRIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Georgia?

Mr. SHIPSTEAD. I yield to the Senator.

Mr. HARRIS. The Senator from Minnesota is correct in his statement in regard to the losses of the small companies. Furthermore, I should like to mention the fact that the States do not tax the premium income on assessment companies, such as we are now discussing as they do in the case of stock companies.

Mr. SHIPSTEAD. I think that is true.

Mr. REED of Pennsylvania. Mr. President, if the Senator will yield to me——

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Pennsylvania?

Mr. SHIPSTEAD. I do.

Mr. REED of Pennsylvania. So that we may have some idea of the gravity of the question we are discussing, I think it might be stated to the Senate that in the last year for which we have the complete returns, 1923, all of the mutual accident, fire, and marine insurance companies in the entire United States—not only these fire-insurance companies but the accident and marine insurance companies included—paid in taxes to the United States a total of $56,752.

Mr. SMITH. Then the Senator would not object to exempting them, because it would not amount to anything.

Mr. REED of Pennsylvania. I object to it only because it is unfair and there is no reason why they should get a special exemption, if it is only $5.

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

The PRESIDENT pro tempore. Does the Senator from Minnesota further yield to the Senator from South Carolina?

Mr. SHIPSTEAD. Yes; I yield.

Mr. SMITH. I just want to call the Senate's attention to the principle involved in the amendment, so that the Senate may clearly understand it.

The previous paragraph, 10, exempts these companies, provided 85 per cent or more of their income is collected from members to meet losses and expenses. Suppose the amount collected in 1925 by a mutual fire-insurance company, in the judgment of the company, was such that it turned out to be a fact that they had, say, $150,000 or $200,000 as a surplus that was not used in meeting casualties and losses, and in 1926 they made no collections whatever, because they did not need to make any. If there were no casualties in 1926, and they had deposited their money, and interest of several thousand dollars accrued on it, that would immediately become taxable, because the 85 per cent provision would not apply for the simple reason that no collections were made in that year.

Mr. REED of Pennsylvania. I fail to see why it should not be taxable. Suppose a number of farmers club together and put $150,000 in bank; they ought to pay tax on the interest on their investment.

Mr. SMITH. Very good; then hail-insurance companies ought to pay taxes, and casualty-insurance companies ought to pay taxes, and the other things that have been exempted ought to pay taxes. That is the point I am making. Why make fish of one and fowl of another?

If the Senator will allow me further, in certain parts of our country hails are as recurrent under the law of probabilities as fire, and there are vast companies insuring against hail. They have not reached the proportions that the fire-insurance companies have reached; but if any stock company should arise, and begin to charge premiums, and influence the financial interests of this country, you would exempt them.

Mr. REED of Pennsylvania. Mr. President, that is not fair.

The PRESIDENT pro tempore. The Senator from Minnesota has the floor. To whom does he yield?

Mr. REED of Pennsylvania. Will not the Senator bear with me until I answer that statement right where it occurs in the RECORD?

Mr. SHIPSTEAD. I yield.

Mr. REED of Pennsylvania. If the Senator has been listening to the discussion on the tax bill, he knows that it is I who have taken the lead in trying to increase the taxes on the stock companies, the fire-insurance companies, and the life-insurance companies, and all of them. I think, as I said the other day on the floor, that the insurance companies are the pets of the tax bill; and for the Senator to argue now that I am trying to save $56,000 in revenue to the Government at the mysterious influence of some stock insurance company is not fair, and the Senator knows it is not.

Mr. SMITH. Mr. President, I am sorry that the Senator should take that remark as applying personally to him. It is a lot easier to kill a thing in the borning than to kill a grown man. These mutuals look like infants, but they may

be giants sometime, and cross swords with a giant that is already living; and it is better to kill them now than to wait until a time when they can cross swords with those that preempt the field now. None of us are deceived at all. The influence is here. I do not know that it works on the Senator from Pennsylvania any more than it does on the rest of us; but it is here, and it is evident in this. As the Scripture says, we ought to avoid the appearance of evil. There are no great stock hail-insurance companies. There are a few sporadic stock casualty-insurance companies; but there are great companies known as the fire-insurance companies. The mutuals have grown, and they will continue to grow if we will give them an opportunity to grow under section 11, and you can restrict them to losses and expenditures.

Mr. SHIPSTEAD. Mr. President, I believe the test of exemption should be whether or not there are any profits.

Mr. SMITH. That is right.

Mr. SHIPSTEAD. The Senator from Pennsylvania said something about farmers putting $150,000 in a bank and getting interest upon it, and therefore they might claim on this basis that they should be exempted. But I beg the Senator to remember that when they put their money in the bank it is for the purpose of making a profit. I think we should keep clearly in mind the fact that in a real mutual fire-insurance company there is no profit that goes to anyone. The money is collected to pay losses, and therefore can not be taxed as profit.

In the case of a stock company or a company calling itself a mutual company but not being in fact a mutual company, because there are profits made by the stockholders, or exorbitant salaries paid to officers, or that has income from investments on which it makes a profit and some one gets a profit, I can see where it ought to be taxed.

Mr. SMITH. It should be taxed.

Mr. SHIPSTEAD. I believe that should be the test. The Treasury can find out what companies are actual mutual companies that have no profits whatever; and bona fide mutual companies should have a clear blanket exemption, because it is an absolute violation of the income tax law to tax a company whose income is confined to assessments upon the members with which to pay losses. Such a company should not be taxed, because it has no profits.

I think it is ridiculous to tax assessments to pay losses to membership upon which no one gets a profit. If a man's house burns down and his associates in this mutual company pay assessments of $5,000, no one can say that that man or the company got a profit. He had a loss; and by mutual contribution, through assessments or premiums, his associates in the mutual insurance company make the loss good to him. It is not intended that anyone should make a profit, and no one does make a profit. He can not insure his house for its full value, so there must be a loss. So, on the principle of taxing profits, I do not see why these companies should pay any tax whatever, so long as they actually have no profit.

Mr. SMITH. Mr. President, I should like to make a suggestion to the Senator before he takes his seat. I want to make this point clear: As the Senator has just indicated, if this reserve were to draw interest, and the mutual company began to distribute money to its members, not to meet losses but by way of distribution of the excess profits from its deposits, then he and I and every other man would join in saying that those profits should be taxed.

Mr. SHIPSTEAD. Oh, certainly.

Mr. SMITH. But as long as the fund is kept just for the purpose of meeting losses and legitimate expenses, there is no income to anyone; and it seems to me the committee of the House is to be congratulated upon putting into the law the extra encouragement that we find in paragraph 11.

Mr. SHIPSTEAD. The House committee conducted hearings on this provision of the proposed law; and I believe that they wrote into this law just what is needed to protect these companies, particularly the small, local mutual farmers' insurance companies that give fire insurance to farmers at a very low rate.

Mr. McMASTER. Mr. President, as I understand the object of forming these mutual insurance companies, it is for the purpose of buying a certain article cheaper, and that particular article in this insurance happens to be insurance.

If an association of merchants band together for the purpose of purchasing, they are not taxed upon that which they save, except as the amount which they save is reflected in their earnings, in their income statements. Likewise, the farmers in forming a mutual insurance company buy this particular product a little cheaper; and if that is reflected in their net incomes, of course, they pay personal taxes upon it. But I wish to call the attention of the Senate to this clause on page 82 in reference to mutual savings banks. Under that clause no taxes whatsoever are levied upon mutual savings banks; and if that is the case, most assuredly there can be no excuse or justification for levying any tax upon a farmers' mutual insurance company.

Mr. FRAZIER. Mr. President, I am especially interested in the real farmers' mutual fire-insurance companies in this case. The big so-called mutual insurance companies, perhaps, should not be included under this provision, as provided by the House in section 11, page 84; but the real farmers' mutuals, I believe, should, by all means, come under section 11.

It is customary, I believe, throughout practically all the agricultural States, for farmers to organize mutual insurance companies for their own benefit and protection, oftentimes just in single counties. An organization of this kind takes on the insurance of farm buildings, and farm buildings alone, in that county. No premiums are paid, but assessments are made when there is a loss. Of course, when the farmer joins the organization, he pays a little premium at that time; but afterwards during the lifetime of his policy he pays only as assessments are made. There is no profit. These companies have very few officers—generally only one paid officer, and that is the secretary—and the assessments are made when there is a loss by fire. It seems to me that if there is any organization that should be exempt from taxation, it is the real farmers' mutual insurance company. It makes no profit.

Mr. WILLIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Ohio?

Mr. FRAZIER. I yield to the Senator.

Mr. WILLIS. The Senator has had large experience in matters of this kind, and I desire his opinion upon this specific question:

Lines 18, 19, and 20 are specifically relied upon, as I understand. I should like to know whether, in the opinion of the Senator, this 85 per cent saving clause is sufficient to protect the farmers' mutual fire-insurance companies of which he speaks?

Mr. FRAZIER. I think in ordinary years it would be sufficient; but, as has been stated here, once in a while in a county where they have a mutual fire-insurance company there is a year in which they have no loss, and then in another year there will be several losses; and the little surplus from the year when there is no loss is carried over, just as it would be in hail-insurance companies or casualty-insurance companies or cyclone-insurance companies. If there is any justification for the exemption of mutual hail and mutual cyclone and mutual casualty companies, there is the same reason for exempting mutual fire-insurance companies.

Mr. President, the little local mutual fire-insurance companies are about the only farmers' business organizations that are a success to-day. If the farmer is not entitled to have that one little organization make a success, it seems to me it is rather a strange situation. It would look as if the Senate Finance Committee are trying to knock out the one business organization of the farmer that is of real benefit to him.

Mr. McLEAN. Mr. President, if they are successful to-day, they will be successful to-morrow, because the provision in this bill is precisely as the bill has been.

Mr. FRAZIER. That is all right; but if any other company is entitled to this provision in paragraph 11, the farmers' mutual insurance companies are entitled to it.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. FRAZIER. Certainly.

Mr. KING. I think there is no disposition upon the part of the Finance Committee, or any member of the committee, to deny to insurance companies of the character described by the Senator the exemption for which he is contending.

If a number of farmers organize and have a secretary, as the Senator has indicated they have, to look after the executive affairs of their business and pay premiums only to meet losses among themselves, if there are no profits, if they are not organized for profit, then it is very clear that they are exempt from taxation under the provisions of the bill. What more does the Senator want? Does he want these mutual insurance companies of various kinds, under the guise of being purely mutual, without profit, to be permitted——

Mr. FRAZIER. I made the statement that I was not talking for the so-called large mutual insurance companies, but for the real farmers' mutuals.

Mr. KING. They all come under paragraphs 10 and 11, so there is nothing in the contention of my able friend.

Mr. FRAZIER. If they are protected in paragraph 10 they are mutual hail-insurance companies and cyclone-insurance

companies and casualty-insurance companies, and I say again that if there is any reason for paragraph 11 at all, the mutual fire-insurance companies of farmers should come under it.

Mr. WILLIS. Mr. President, so far as I am concerned, I have entire confidence in the good purpose, as well as the ability, of every member of the Finance Committee. I do not mean at all to question the high purpose they have in view. Perhaps they are right in their conclusion, but I have not yet been convinced that they are right, and I particularly address my remarks to the junior Senator from Utah, who has just spoken.

Under the provision in lines 22, 23, and 24 of the bill as it passed the House, "farmers' or other mutual hail, cyclone, casualty, or fire insurance companies or associations the income of which is used or held for the purpose of paying losses or expenses" are exempt.

It was suggested by the Senator from Pennsylvania, in whose high purpose and good judgment we all have confidence, that if the companies have a reserve of $150,000 they ought to pay a tax upon it. Thereupon the Senator from South Carolina suggested that if the farmers' mutuals are to pay taxes on their $150,000, then the mutual hail-insurance companies, by the same token, ought to be required to pay, or the mutual cyclone-insurance companies ought to be required to pay. I am frank to say that anything which has yet been said by any member of the committee does not convince me that the apparent discrimination is justified. I can not see why we should say that mutual hail-insurance companies or cyclone-insurance companies should be exempted, but the farmers' mutual fire-insurance companies should not be exempted. I particularly direct the attention of the junior Senator from Utah to that, because he has just spoken on the matter. What reason does he assign for it?

Mr. COPELAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from New York?

Mr. WILLIS. I yield to the Senator from New York.

Mr. COPELAND. I rejoice to hear the distinguished Senator from Ohio speaking up for the farmers; it is such an unusual thing for a Republican to really want to do something for the farmers. I am in full sympathy with the Senator from Ohio in this particular matter, and I simply rose to commend him and to congratulate him, and at the same time to express my astonishment. If there is one man in the world who has been fooled by the Republican Party, it is the farmer. The promises are usually made on the stump as to what is going to be done for him.

Mr. WILLIS. Has the Senator any other question? He has stated one very pointed question. Has he any other to ask?

Mr. COPELAND. Yes; I think perhaps I might express——

Mr. WILLIS. I am perfectly willing to yield for a question, and am glad to note the symptoms of conversion on the part of my friend from New York. I propounded an inquiry to the junior Senator from Utah, and I must yield to him, if he is prepared to answer.

Mr. KING. Mr. President, I was just going to ask the question which I am sure was on the tip of the tongue of the Senator from New York, whether the coming election has had anything to do with the attitude of the Senator from Ohio upon this matter?

Mr. WILLIS. Mr. President, I am very much more interested in the question I have propounded to the Senator from Utah than in this very pleasing persiflage. I repeat, what reason does the Senator give for exempting the hail insurance companies or the cyclone insurance companies, if they have a reserve, if he is in favor of taxing the farmers' mutual fire insurance companies?

Mr. KING. I do not think there is any distinction, and there should be none, in my view. I believe that any corporation that maintains reserves from which it derives profits should pay a tax. I do not believe in discrimination, and I have been inveighing against the discrimination in this act in favor of life insurance companies.

Mr. WILLIS. Does not the Senator admit that the specific language, lines 22 to 24, to which I have invited his attention, does do the very thing against which he now inveighs? It does levy a tax upon a reserve which the mutual fire insurance companies would have, and it does not levy a tax upon exactly the same reserve that one of these other companies would have. Why the discrimination?

Mr. KING. I do not think there is any distinction.

Mr. WILLIS. I am utterly unable to follow the Senator in his logic.

Mr. BROOKHART. Mr. President, I think some of the confusion has arisen on account of the classification of the different companies. On page 84, in subdivision 10, the farmers' mutual fire-insurance companies are classified with benevolent life associations of a purely local character. I think a more logical classification would be to put them in subdivision 11 and cut them out of subdivision 10. I think probably the mutual ditch or irrigation companies would logically go in subdivision 11.

I believe if the hail, cyclone, and casualty insurance companies of farmers are to be exempted without reference to that provision with reference to 85 per cent or more of their income, the fire-insurance companies should be exempted for the same reason if we follow a logical course in all respects.

I think subdivision 10 does exempt fire-insurance companies substantially, and there are those limitations put upon it the same as upon the benevolent life-insurance associations.

As far as the taxation of the reserve in a purely mutual company is concerned, it ought not to be taxed, because the reserve is maintained simply to pay losses when they occur, and not for profit, any more than the collection of the assessment or the premium itself would be.

Therefore, if it could be agreeably arranged, I would like to see one or two of those items shifted out of subdivision 10 and placed in subdivision 11. In fact, all of those that relate to the farmers' mutual insurance companies logically belong in subdivision 11.

Mr. SHIPSTEAD. Mr. President, I think the idea of the Senator from Iowa is absolutely correct as to subdivision 10. The test of exemption should not be the size of a company. I submit it should depend only on whether or not there are profits. I think it is admitted that none of these companies, where there are no profits, should be taxed. Subdivision 11 covers them absolutely. If it is admitted that they should not be taxed, what objection can there be to leaving them in subdivision 11? There can be no doubt but that subdivision 11 will accomplish what everyone admits we are trying to accomplish—that is, to absolutely exempt companies having no profit.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from South Carolina [Mr. SMITH] that the Senate reconsider the vote whereby the committee amendment on page 84, lines 21 and 22, was agreed to.

Mr. SHIPSTEAD. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the junior Senator from Delaware [Mr. DU PONT]. In his absence, I withhold my vote.

Mr. McLEAN (when his name was called). I transfer my general pair with the junior Senator from Virginia [Mr. GLASS] to the junior Senator from Massachusetts [Mr. GILLETT] and vote "nay."

Mr. McKELLAR (when Mr. NEELY's name was called). The Senator from West Virginia [Mr. NEELY] is unavoidably detained from the Senate. If he were present, he would vote "yea."

The roll call was concluded.

Mr. FERNALD. I have a general pair with the Senator from New Mexico [Mr. JONES] and in his absence withhold my vote.

Mr. JONES of Washington. I wish to announce the following pairs:

The Senator from Kansas [Mr. CURTIS] with the Senator from Missouri [Mr. REED];

The Senator from New York [Mr. WADSWORTH] with the Senator from West Virginia [Mr. NEELY];

The Senator from Pennsylvania [Mr. PEPPER] with the Senator from New Mexico [Mr. BRATTON];

The Senator from Vermont [Mr. GREENE] with the Senator from Texas [Mr. MAYFIELD]; and

The Senator from California [Mr. JOHNSON] with the Senator from Arkansas [Mr. ROBINSON].

Mr. GERRY. The junior Senator from Texas [Mr. MAYFIELD] is absent on official business. If he were present, he would vote "yea."

The result was announced—yeas 51, nays 14, as follows:

YEAS—51

Bayard	Deneen	La Follette	Shipstead
Blease	Dill	McKellar	Shortridge
Borah	Edge	McMaster	Simmons
Brookhart	Ferris	McNary	Smith
Broussard	Frazier	Means	Stanfield
Butler	Gerry	Norbeck	Trammell
Cameron	Hale	Norris	Tyson
Capper	Harreld	Nye	Watson
Caraway	Harris	Overman	Weller
Copeland	Harrison	Pine	Wheeler
Couzens	Heflin	Ransdell	Williams
Cummins	Howell	Robinson, Ind.	Willis
Dale	Kendrick	Sheppard	

NAYS—14

Bingham	Jones, Wash.	Moses	Smoot
Bruce	King	Phipps	Warren
Goff	McLean	Reed, Pa.	
Gooding	Metcalf	Sackett	

NOT VOTING—31

Ashurst	Fletcher	Lenroot	Robinson, Ark.
Bratton	George	McKinley	Schall
Curtis	Gillett	Mayfield	Stephens
du Pont	Glass	Neely	Swanson
Edwards	Greene	Oddie	Underwood
Ernst	Johnson	Pepper	Wadsworth
Fernald	Jones, N. Mex.	Pittman	Walsh
Fess	Keyes	Reed, Mo.	

So Mr. SMITH's motion to reconsider was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

Mr. SMOOT. Mr. President, the whole section will have to be changed now. The amendment which was agreed to in line 19 after the word "income" will have to be disagreed to.

Mr. SMITH. If the Senator will allow me, we can vote on this proposition and then make the other provisions conform to the will of the Senate. I ask that we may now have a vote on the committee amendment.

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee on page 84, in line 19, which will be stated.

The CHIEF CLERK. On page 84, line 19, after the word "income," on yesterday the following amendment was agreed to: Insert in parenthesis the words "(exclusive of payments received from reinsurers on account of losses or by reinsurers on account of premiums)."

Mr. SMOOT. If we are going to take fire insurance out of that paragraph, there is no necessity for the amendment. I move to reconsider the vote by which the amendment was agreed to.

The motion to reconsider was agreed to.

The PRESIDENT pro tempore. The question now recurs upon the amendment proposed by the committee.

The amendment was rejected.

Mr. SMOOT. I now move that the Senate reconsider the vote by which we agreed to the committee amendment on page 84, line 16, after the word "companies," inserting "including interinsurers and reciprocal underwriters."

The motion to reconsider was agreed to.

The PRESIDENT pro tempore. The question recurs on agreeing to the amendment proposed by the committee.

The amendment was rejected.

Mr. SMOOT. I now ask that we turn to page 216, to the amendment dealing with tobacco leaf sold to consumers.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 216, to strike out lines 6 to 15, inclusive.

Mr. McKELLAR. Mr. President, there are two amendments which should be considered together, one on page 216 and the other on page 217. The first committee amendment proposes to strike out lines 6 to 15, on page 216, reading as follows:

(b) Upon all unmanufactured leaf tobacco produced in the United States and hereafter sold or removed for sale to the consumer there shall be levied, collected, and paid a tax of 8 cents per pound, to be paid by the person so selling or removing such leaf tobacco. This subdivision shall not apply to leaf tobacco sold or removed for sale to the consumer by (1) a farmer or grower of tobacco or (2) a tobacco growers' cooperative association as defined in subdivision (f) of section 3360 of the Revised Statutes, as amended.

I want to refer briefly to the history of this provision that has been adopted by the House and which the committee asks the Senate to reject. In 1909, when the Payne-Aldrich tariff bill was before the Congress, there was inserted this same provision, except that no tax at all was placed upon the local dealer who sold leaf tobacco directly to the consumer. That law remained in effect until 1918, when it was repealed. The pending amendment would not restore the law just as it was. It simply proposes to impose a tax of 8 cents where the general tax on manufactured tobacco is 18 cents. The purpose of the amendment is to give the local dealer the right to sell leaf tobacco in its crude, unmanufactured state, not twisted, not mashed or broken in any way, but simply to sell it locally to the consumer. It affords another market for that kind of tobacco. It is what some people term "poor man's tobacco." I think that the amendment of the committee ought not to be agreed to.

I say to the Senate that it does not affect in the slightest the present exemption of the grower of tobacco from any tax at all. That is provided for. It does not affect the right of cooperative associations to sell tobacco, because they sell it without tax when acting for the grower. The only thing the paragraph does is to provide that the local dealer may sell directly to the consumer the raw leaf tobacco in its unmanufactured state, without twisting and without any treatment whatever. It seems to me the Senate ought to agree to that proposition. There are many counties in my State and many counties in Kentucky that are interested in the matter. It furnishes an additional market for tobacco, and I hope the committee amendment will be voted down.

Mr. SIMMONS. Mr. President, the Senator from Tennessee refers to a tax which formerly was imposed upon the dealer, as I understand it, but he referred to a tariff tax. Did the Senator mean a tariff tax or internal-revenue tax?

Mr. McKELLAR. It was a tax included in the Payne-Aldrich law. It was a provision in that law which, as I recall, was a general tax law. It was the Payne-Aldrich Tariff Act of 1909.

Mr. SIMMONS. That was a different tax altogether. There is a vast difference between the internal-revenue taxes upon tobacco and the tariff taxes upon tobacco.

Mr. McKELLAR. This was not a tariff tax at all. It was a provision in that law, but it carried an internal tax on tobacco, just as the present bill does.

Mr. SIMMONS. Very well.

Mr. President, I desire the Senate to understand exactly the relation that exists under our revenue laws with reference to manufacturers of tobacco and dealers in leaf tobacco. A manufacturer of tobacco must pay a tax of 18 cents upon every pound sold. The dealer in tobacco under the amendment now before the Senate would pay a tax of only 8 cents per pound upon tobacco sold by him to a consumer. Under our revenue system every precaution is being taken to see that every pound of leaf tobacco which is purchased by a manufacturer shall be checked up, so that the Government may be certain of getting its revenue upon every pound of tobacco that is turned out by the manufacturers.

In order to protect the Government revenue the law provides that every pound of tobacco which is sold and purchased by a dealer in tobacco shall be accounted for; and, in order that it may be accounted for, the law requires every dealer in tobacco to give bond, and it prohibits every dealer in tobacco from selling that tobacco to anybody except another dealer or a manufacturer of tobacco. Both the dealer and the manufacturer must keep a constant account of every pound of tobacco they buy and every pound of tobacco they sell. That is to protect the revenues of the Government. The only person outside of the manufacturer who is permitted to sell tobacco to the consumer is the farmer, who may sell the tobacco which he produces upon his farm.

Mr. McKELLAR. And cooperative associations.

Mr. SIMMONS. Yes; and cooperative associations of farmers. They, and they alone, are permitted under the present law to sell leaf tobacco to the actual consumer. The farmer may sell it to a consumer or he may sell it to a dealer or he may sell it to a manufacturer; but a dealer has not that privilege. He can sell it to no one except another dealer, who, in turn, can sell it to no one except a manufacturer.

Mr. CARAWAY. Mr. President, if the Senator will yield to me for a moment, the reason for that does not appeal to me very much, but, perhaps, it is because I do not understand it. Do I understand the Senator to say that a dealer in leaf tobacco can not sell to anyone except another dealer?

Mr. SIMMONS. Or to a manufacturer. That is true.

Mr. CARAWAY. Then, how can one who desires to buy leaf tobacco in a State where it is not grown obtain it? Suppose tobacco grown in North Carolina were shipped to some State where the farmers did not grow tobacco and it were desired to sell the leaf tobacco, who could sell it? As I understand, no one in that State could sell leaf tobacco.

Mr. SIMMONS. No; the tobacco can only be sold in the warehouse and purchased by a dealer or by a manufacturer.

Mr. CARAWAY. But, for instance, in my State the farmers do not grow tobacco; and if somebody wanted leaf tobacco, could nobody sell it to him there?

Mr. SIMMONS. Yes; anybody can buy from the farmer who wants to buy from him.

Mr. CARAWAY. There is no farmer there who is producing it, and therefore there is no farmer there to sell it. Could no dealer in tobacco sell it in that State?

Mr. SIMMONS. Any merchant could buy it from the farmer, but that merchant could sell it only to a dealer or a manufacturer.

Mr. CARAWAY. I think I understand that. Then no one could buy leaf tobacco where it was not grown, where there was no farmer to sell it?

Mr. SIMMONS. No, Mr. President; the farmer can sell his tobacco——

Mr. CARAWAY. I understand that.

Mr. SIMMONS. And anybody can buy that tobacco who wants to buy it.

Mr. CARAWAY. From the farmer.

Mr. SIMMONS. Yes; anybody can buy leaf tobacco from the farmer.

Mr. CARAWAY. But in a State where there is not any farmer who grows leaf tobacco, is there anyone who can sell it? For instance, what I am trying to get at is this: In my State but very little tobacco is grown. If some one in that State wanted to sell leaf tobacco to people who wanted to buy leaf tobacco——

Mr. SIMMONS. And there was no warehouse there?

Mr. CARAWAY. And there was no warehouse, could anybody do it?

Mr. SIMMONS. He could sell that to a merchant, and the merchant could sell it to a dealer; but when it gets in the hands of the dealer, the dealer can sell it to nobody except another dealer or a manufacturer.

Mr. CARAWAY. That is what I was trying to get at. Nobody, then, can sell it to the consumer if there is no tobacco farmer there and no farmers' warehouse.

Mr. SIMMONS. The farmer can sell it to the consumer.

Mr. CARAWAY. But if there are no farmers, no one could, for instance, in my State go to North Carolina and buy tobacco in the leaf and carry it back home and sell it?

Mr. SIMMONS. No; for the very reason that if that were permitted, if anybody were allowed to sell tobacco to the consumer, then the Government would lose its revenue from the tobacco. The Government has got to protect its revenue. We raise more money from the tax on tobacco than we do from almost any other industry in the United States. The tobacco business is paying to the Government annually a revenue amounting to $350,000,000. In order to protect the Government in its right to the tax upon tobacco it has got to follow it up. If anybody in a community, whether he be farmer or merchant or speculator, were permitted to buy leaf tobacco and sell it direct to the consumer, the Government would lose its revenue unless it had some agent in every community to look after the man who might happen to buy a small quantity of unmanufactured tobacco.

Mr. BRUCE. Mr. President, will the Senator from North Carolina allow me to ask him a question?

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Maryland?

Mr. SIMMONS. I yield, with a great deal of pleasure.

Mr. BRUCE. Does the Senator think that it is in accord with constitutional guaranties to say that an individual shall have no right to sell to the consumer? Is not that a violation of the fifth amendment to the Federal Constitution, in that it deprives a man of his property?

Mr. SIMMONS. I have never examined the constitutional question which the Senator now raises, and I do not think it has ever been raised before; but ever since we have been collecting revenue from tobacco, as far back as my experience and my investigations go, this provision has remained in the law prohibiting anybody from selling directly to the consumer, except the farmer and his organizations and the manufacturer.

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

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Tennessee?

Mr. SIMMONS. I yield.

Mr. McKELLAR. In 1909 in a bill introduced by Senator Bradley, of Kentucky, it was provided that a dealer could sell tobacco in its unmanufactured state directly to the consumer without any tax at all. That was the law until 1918.

Mr. SIMMONS. If that was the law then it has escaped my notice.

Mr. McKELLAR. It is true that was the law and there was no tax at all. Now, this provision puts a tax of 8 cents on those dealers who sell their tobacco direct to the consumer.

Mr. SIMMONS. But the Senator will agree with me that if Senator Bradley did secure an amendment of that kind the next time we drew a tax bill we repealed it.

Mr. McKELLAR. No; I think not, for this reason: There was a tax bill in 1913, as I recall, and it was not repealed. That act was known as the Underwood-Simmons law, in the enactment of which the Senator from North Carolina took such a splendid part.

Mr. SIMMONS. That was in 1913.

Mr. McKELLAR. It was not repealed in that bill.

Mr. BRUCE. It seems to me that for the Government to undertake to forbid a dealer to sell leaf tobacco to a consumer is a hopelessly arbitrary exercise of power, and that was the reason I asked the question.

Mr. SIMMONS. There are a great many things in revenue acts which have to be arbitrary and have to be drastic if the Government is to get the revenue from the taxes which it imposes.

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

Mr. SIMMONS. Yes; I yield to the Senator from Utah.

Mr. SMOOT. I ask unanimous consent that when the Senate concludes its business to-day it take a recess until Monday morning next at 11 o'clock a. m.

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

Mr. SIMMONS. Mr. President, the law is so careful with reference to dealers that many pages of our revenue act are devoted to things that the dealer must do before he can enter into the business. For instance, it is provided—

> Every such dealer shall give a bond with surety, satisfactory to, and to be approved by, the collector of the district, in such penal sum as the collector may require, not less than $500—

And so on.

> Every such dealer shall be assigned a number by the collector of the district, which number shall appear in every inventory, invoice, and report rendered by the dealer, who shall also obtain certificates from the collector of the district setting forth the place where his business is carried on—

And so on.

> Every dealer in leaf tobacco shall make and deliver to the collector of the district a true inventory of the quantity of the different kinds of tobacco held or owned, and where stored by him, on the 1st day of January of each year, or at the time of commencing and at the time of concluding business—

And so on.

> Every dealer in leaf tobacco shall render such invoices and keep such records as shall be prescribed by the commissioner, and shall enter therein, day by day, and upon the same day on which the circumstance, thing, or act to be recorded is done or occurs—

And so on.

> Every dealer in leaf tobacco on or before the 10th day of each month shall furnish to the collector of the district a true and complete report of all purchases, receipts, sales, and shipments of leaf tobacco made by him during the month next preceding—

And so on.

> Sales or shipments of leaf tobacco by a dealer in leaf tobacco shall be in quantities of not less than a hogshead, tierce, case, or bale, except loose leaf tobacco comprising the breaks on warehouse floors—
>
> * * * * * * *
>
> Dealers in leaf tobacco shall make shipments of leaf tobacco only to other dealers in leaf tobacco, to registered manufacturers of tobacco, snuff, cigars, or cigarettes, or for export.

Why is that, Mr. President? Why these carefully guarded provisions with reference to dealers in leaf tobacco? It is in order that the Government may keep a trace of the tobacco; in order to protect its revenue. If everybody who desired to buy leaf tobacco from a farmer were permitted to sell that leaf tobacco to the man who consumes it, is it not apparent that to that extent the Government would lose its entire revenue from that source? It is for the purpose of protecting the revenue, and, if Senators will follow it, it is absolutely essential for the Government to provide some such machinery as this.

The dealers in leaf tobacco go upon the warehouse floors; they buy the tobacco, which is sold there; they transport that tobacco to their warehouses. They make report to the Government of those purchases at once. If such tobacco could be sold promiscuously to anybody who wished to buy with the privilege on his part of selling it directly to a consumer without any accounting to the Government, without keeping any books, without making any report, without the Government having any machinery by which it could keep up with these little sales, nobody could tell how much of this product, upon which the Government has levied heavy taxes and upon which the Government very largely relies for its revenue, would pay any tax at all.

Mr. CARAWAY. May I ask the Senator from North Carolina another question?

Mr. SIMMONS. Yes.

Mr. CARAWAY. If it is desired to raise revenue upon leaf tobacco when it is sold, when it goes into the hands of the dealers, why not make him pay the tax, and then let him sell it to whomsoever he pleases? In that way the Government would get its tax.

Mr. SIMMONS. That is exactly what is proposed in this bill. I am glad the Senator presented it.

This bill proposes that this leaf dealer, who in many instances handles more tobacco than the biggest manufacturer, who is engaged in a tremendous business, confined entirely to the purchase of tobacco from the producer and its sale to the manufacturer, shall be told by the Government, "You shall not sell to anybody but a manufacturer, because that is the only way in which we can keep trace of your tobacco." The manufacturers get almost all of their tobacco from these dealers. Some few of the manufacturers go on the warehouse floor and buy for themselves, but the larger part of the tobacco that is manufactured in the United States is bought from the dealer, and not upon the warehouse floor by the manufacturer or his agent directly.

Now it is proposed that this dealer shall be permitted to sell directly to the consumer. So far, so good; but it is proposed that in making this sale to the consumer he shall pay a tax of only 8 cents a pound upon that tobacco, while the Government requires of the manufacturer who sells the tobacco a tax of 18 cents a pound. That is the difference. If you will require the dealer to pay 18 cents a pound, just as you require the manufacturer to pay 18 cents per pound, well and good. The Government has its revenue. The Government is protected. The Government is not permitting one class of business interests to sell tobacco upon the payment of a tax of 8 cents a pound, while requiring another class to pay a tax of 18 cents a pound.

Mr. CARAWAY. Mr. President, I know that I ought to understand it; but under the system proposed in this bill would the tobacco finally bear a tax of 26 cents a pound—8 cents a pound tax on the leaf dealer, and then 18 cents a pound tax on the manufacturer of tobacco?

Mr. SIMMONS. No; the Government never will get any more tax on that tobacco if it is sold to the consumer. That is the end of it so far as the Government is concerned.

Mr. CARAWAY. The 8-cent tax, then, is only on tobacco sold to the consumer?

Mr. McKELLAR. In its raw state.

Mr. CARAWAY. And not when it is sold to another dealer?

Mr. SIMMONS. No; they do not charge any tax upon a sale to another dealer.

Mr. CARAWAY. That is what I say.

Mr. SIMMONS. They do not charge any tax upon its sale to a manufacturer; but when the manufacturer sells it he has to pay a tax of 18 cents a pound.

Mr. McKELLAR. Mr. President, will the Senator yield? This just makes a differential between those dealers who deal in the raw product, selling it directly to the consumer, and those dealers who manufacture it and sell it to the consumer.

Mr. SIMMONS. It is a poundage tax.

Mr. McKELLAR. It is a question between the local dealers and the manufacturers of tobacco generally. That is all it is. It is a differential. It affords another profit.

Mr. SIMMONS. Of course. It is just a discrimination in favor of the dealer of 10 cents a pound; that is all.

Mr. CARAWAY. May I ask the Senator from Tennessee, then, if tobacco ought to pay a tax, what objection can there be to the dealer paying it? It does not affect the farmer's right to sell, and in fact it helps the farmer to get a market directly with the consumer, because his tobacco does not bear this 8-cent tax. It keeps the dealer from coming into competition with the farmers' cooperative and encourages the sale by the farmer directly to the consumer.

Mr. McKELLAR. It does not interfere with the farmer or the farmers' cooperative associations at all, because neither the farmer nor the farmers' cooperative associations have to pay any tax whatsoever. They sell without paying any tax. This will furnish a local market for tobacco in its raw state, wholly unmanufactured.

Mr. CARAWAY. Why does it furnish a local market? The farmer can supply that local market direct.

Mr. McKELLAR. If the Senator will let me give an illustration of what I mean, suppose, for instance, that in one of the Senator's counties in Arkansas——

Mr. CARAWAY. The farmer is not going to come clear across from Tennessee over into my State at all.

Mr. McKELLAR. Not at all. There has to be some dealer.

Mr. CARAWAY. It strikes me that the tax is really in behalf, then, of the farmer and his cooperative association, and permit him to have a discriminatory tax, and no farmer ought to complain of it.

Mr. SIMMONS. No; if the Senator will permit me, the farmer and his association are permitted to sell directly to the consumer without any tax at all. It is one of those great concessions that we have made to farmers and to cooperative farming associations all through our revenue system. We have allowed him to sell direct. The Government loses that revenue. Everybody knows that the Government loses that revenue, 18 cents a pound; but to help the farmer, to help the producer, if he can find some consumer who will buy his product direct, he may sell it to him without paying any tax at all.

Of course, the farmers generally have not taken advantage of that, because the farmer has found it probably more to his advantage to sell his tobacco upon the warehouse floor. To some extent the farmers have taken advantage of it, and in some sections they have advertised sales of tobacco direct to the consumer and have built up a considerable trade; but that trade is limited to the amount produced by the individual farmer.

The Government, by making a concession to that class, has said to the farmer: "Although we lose the revenue upon your tobacco, we will give you this exemption from taxation." It has maintained all the time, however, through all of our laws except the one to which the Senator refers, which was quickly repealed, that the dealer—that includes the warehouseman, that includes everybody who buys upon the floor of the warehouse; that includes everybody who deals in tobacco upon a large scale—shall comply with these rigid regulations, so that the Government may keep trace of this tobacco after it leaves the hands of the farmer, in the interest of protecting its revenue. He must make these inventories; he must make these reports; he must give these bonds. Then he may sell, but only to another dealer; and his books must show the dealer to whom he sold, and the dealer to whom he has sold must file his report with the collector, showing it; so that the Government still, though he sells to another dealer, keeps up with that particular lot of tobacco. Then, finally, the dealer can sell to nobody except the manufacturer; so that the Government has absolute trace of every pound of this tobacco except that which the farmer sells.

This bill seeks to give to these dealers the privilege of selling directly to the farmer, without any accounting of their sales to the farmer, upon their paying less than one-half of the tax which the law has reserved against sales of tobacco to consumers. Why, Mr. President, if this bill should pass in this form we would have a large per cent of the dealers who now buy leaf tobacco and sell it only to the manufacturer selling directly to consumers, advertising, entering into it as a business in competiton with the manufacterer of tobacco, and paying a rate of 8 cents a pound as against a rate of 18 cents a pound paid by the manufacturer. That would be utterly unfair to the tobacco industry of this country.

Mr. President, every farmer knows—and I am a farmer myself; I cultivate more than a hundred acres in tobacco—every farmer knows that his market for tobacco depends upon the prosperity and success of the tobacco manufacturers and dealers, the most highly taxed people we have in the United States. We tax the tobacco manufacturer upon the leaf, we tax him upon the cigar, we tax him upon the smoking tobacco, we tax him upon the snuff, we tax him upon everything that he makes out of this leaf tobacco, and at a high rate, the highest rate that ever has been imposed upon an American product. Practically every tax that we have imposed during war times has been reduced three or four times from the high peak prices that we established during that period, except two, and those two are the taxes that we imposed upon corporations and the taxes that we imposed upon tobacco.

Everybody recognized during the war that tobacco was a very good source of revenue for the Government, and we taxed it just as heavily as we thought the trade would bear. It was supposed that those taxes would be reduced after the war, but so far there has been no reduction. The first reduction, Mr. President, is the little reduction proposed here upon 8-cent and 5-cent cigars. That is the first reduction since the war.

The prosperity of this business has been very great, I admit. These manufacturers have built up an enormous market here and abroad. They have sent their agents into every country of the world. They have propagandized those countries in behalf of American tobacco. They have started the use of tobacco in China. They have started the use of tobacco in Japan. They went all through Africa and Asia and Europe establishing markets for American tobacco, and they have built up a great trade; and by reason of their prosperity and the money that they spent in seeking new markets for this product of the farmer, they have made it possible for the farmer to expand this industry and to get splendid returns from his products.

I say to the Senator that if it were not for the sustained prices we are getting for our tobacco to-day in the parts of the South which the boll weevil has invaded, bringing destruction in his path, the farmers of the South would have been to-day in a worse condition than the farmers of the West. As it is, I am glad to say—of course, I am from the

South—that while the condition of the farmers in my section is not good by any means, it is relatively good as compared with the condition of the farmers in the West. That is by reason of the good prices that they have been able to obtain for this product very largely, in some sections almost entirely; and these good prices have been the result of the prosperity of these great tobacco-manufacturing concerns that have found these new markets for our product. To say that they shall pay a tax of 18 cents a pound, while somebody who happens to buy tobacco upon the floor of the warehouse and store it shall be permitted to come into competition with them and sell to their consumers upon the basis of a tax of 8 cents a pound is a great injustice. It is not only an injustice, Mr. President, but if this amendment is adopted it will inevitably disorganize this great industry.

I am very earnest about this matter, because I feel its deep importance. It is not a little question at all to the tobacco farmer and to the tobacco manufacturer. It simply proposes to build up a preferential class. We made a preferential class with reference to the actual producer, and he is entitled to it. I am glad we gave it to him; but now to make a middle preferential class in favor of a dealer in tobacco as against a manufacturer of tobacco, to my mind, would be carrying the thing too far and inviting danger to a great industry and to the farmer who produces the raw material which they manufacture.

Mr. McKELLAR. Mr. President, when the Senator from North Carolina said that it brought about competition between the small dealers and the manufacturers of tobacco, who now have a practical monopoly of the manufacture of that great product, he stated the fact just as it is. I think there is a discrimination, and a very great discrimination, against the smaller dealer under the law as it is. The storekeeper in the tobacco district is not now permitted to sell to the consumer at all. There may be consumers who want to buy from him; he may have a country store——

Mr. SIMMONS. He can sell it just as I sell my tobacco.

Mr. McKELLAR. Yes; but he can not sell it in its unmanufactured state without paying 18 cents——

Mr. SIMMONS. Eight cents.

Mr. McKELLAR. No; under the present law he can not do it unless he pays 18 cents, because the great manufacturers of tobacco of the country do not want any competition; they do not want even small competition; they do not want the country merchant to come in that small competition in dealing with the product unmanufactured. If there is any discrimination about it, it is that discrimination which comes from a great monopoly controlling the manufacture of this product, and seeking to crush out even the smallest competitors, like the rural storekeepers, who could sell the tobacco in its original state to those who wanted to consume it in its original state.

Is that fair? Should we crush out the small dealer in any such way as that? The Congress thought it ought not to be done in 1909, and until 1918 it was the law, and now we do not restore the law of that time, but we propose such a tax on the country merchant that he can pay that reasonable tax and sell his product, as he should have a right to sell it.

The Senator from North Carolina talked about not being able to keep up with him. Why can they not keep up with the dealer? Of course the department can keep up with the dealer. If he sells his tobacco without paying the tax, he will have done an unlawful act, and he is not going to do an unlawful act.

The Senator says it comes in competition with the farmer. Not in the slightest. It helps the farmer. The farmers are not protesting against the passage of this bill. The cooperatives are not protesting against the passage of this bill. It is the great manufacturers, who come in competition with these small country storekeepers, who are protesting.

Mr. SIMMONS. The Senator misunderstood me. I did not say that the Government could not keep up with the licensed dealer, who has the warehouse, and who has inspection. I said the Government could not keep up with the little merchant, who bought the tobacco from the farmer.

Mr. McKELLAR. The Government will keep up with every dealer in this kind of tobacco, just as it keeps up with every other dealer where a Federal tax is imposed. There is not the slightest trouble about it. There is but one question in this matter: Are we going to permit the small country merchant to be deprived of the right to sell tobacco in its raw state to a consumer, simply because the manufacturers of tobacco feel that it would not be to their advantage?

Mr. SIMMONS. Mr. President, a merchant can not become a dealer unless he complies with all the terms of the law, requiring him to give a bond, and so on.

Mr. McKELLAR. The Senator is exactly right about that.

Mr. SIMMONS. But the merchant who buys tobacco from the farmer can sell it to any licensed dealer.

Mr. McKELLAR. But he can not sell to the consumer. I may be a tobacco user; I may like tobacco in its natural state. I can not go to any store in a community where tobacco is raised and buy it unless I pay 18 cents a pound to the Government.

Mr. SIMMONS. But the Senator says he should be entitled to sell it to the consumer with an 8-cent-a-pound tax.

Mr. McKELLAR. Of course, because there is a difference between selling tobacco in its raw state and selling tobacco in its manufactured state; quite a difference.

Mr. President, the question is whether these little country dealers shall be crushed out, as they were in 1918, when the law was repealed. I think they should be allowed to have their rights. I think they should be allowed to sell tobacco upon the imposition of the smaller tax.

Mr. CARAWAY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Arkansas?

Mr. McKELLAR. I yield.

Mr. CARAWAY. We people who are not addicted to the use of that filthy weed do not yet get any kind of an understanding of this matter.

Mr. McKELLAR. I am sorry to say I do not use it either.

Mr. CARAWAY. Then why was the Senator arguing about it so earnestly, complaining because he could not buy it at every store?

Mr. McKELLAR. I will tell the Senator why I said that. My State is a tobacco State. We raise an enormous quantity of tobacco. There are about 25 counties in Tennessee where tobacco is the principal article produced, and I am intensely interested in it. I regret that I do not use it.

Mr. CARAWAY. The Senator can possibly practice up. Frankly, I want to find out just what the enormous row is about. As I understand it finally from the Senator from North Carolina, any dealer, upon paying 8 cents a pound, may sell leaf tobacco to the consumer.

Mr. McKELLAR. He can do so if the House provision shall pass. If the amendment proposed by the Senate committee, striking out the House provision, shall prevail, then a dealer can not sell at all unless he pays the manufacturer's tax of 18 cents.

Mr. CARAWAY. He will pay 18 cents?

Mr. McKELLAR. Yes.

Mr. CARAWAY. The thing I am curious to know is, in what respect is the farmer interested, except to make it more difficult for the local dealer to come in competition with him when he wants to sell to the consumer?

Mr. McKELLAR. For instance, suppose I wanted to buy some tobacco in its raw state, and I live in a State where there is no tobacco, as the Senator suggested, and I write a letter to a country merchant in the town of Springfield, which is a small place in my State, and ask him to send me 5 pounds of tobacco in its raw state by parcel post. He could not do that. He would not have the right to do it unless he paid the full manufacturer's tax.

Mr. CARAWAY. That is exactly what I am coming to. He could turn the order over to the farmer who grew the tobacco and give him a preferential market, in which he would have an advantage up to 18 cents a pound. It gives him a direct protection against people dealing in his product and gives him the market.

Mr. McKELLAR. Here is the practical difficulty about that. It is just as the Senator from North Carolina said a few moment ago, that the farmers do not take advantage of this because their market, and their only market, is with the manufacturers. He was mistaken about that to this extent, as I will explain: The local market consists of the manufacturers, of course, the great Tobacco Trust, as it is known. That is the local market. The farmers of my State, and of every other tobacco State, have a tremendous market abroad, because many foreign governments buy tobacco and sell it as a Government monopoly. The Senator from North Carolina talked about the great good the large manufacturers of this country have done the farmers in making a market throughout the world. On the contrary, the great good has come from the demand from foreign governments, and it does not pass through the manufacturers' hands at all. They come to our State and buy.

Mr. CARAWAY. That is what I was about to come to. If there is 18 cents a pound tax, where the dealer sells it, why will it not make the foreign buyers come to the cooperative farmers' warehouses, or to the farmer direct, and buy?

Mr. McKELLAR. They do.

Mr. CARAWAY. Then the farmer has an actual preferential rate of 18 cents a pound, and he can absorb that, and the manufacturer can not invade his market until it gets above 18 cents a pound.

Mr. McKELLAR. It does not affect the farmer or the farmer's cooperative at all, because they are specifically excepted.

Mr. CARAWAY. If the Senator will pardon me just a moment, the Senator says there is a tremendous demand for tobacco abroad.

Mr. McKELLAR. Yes.

Mr. CARAWAY. No dealer can get into that market without paying a tax of 18 cents a pound.

Mr. McKELLAR. That is right.

Mr. CARAWAY. The farmer can go into it without paying a penny of tax, under the provisions of the bill, and he has a preferential market, with a protection of 18 cents a pound, but you strip that from him if you let the local dealer go into the leaf-tobacco market without paying a tax.

Mr. McKELLAR. The bill as passed by the House does not provide that he shall go in without paying a tax. It provides he shall pay an 8-cent tax. If the Senator will let me explain, I am sure I can make it perfectly plain to him. The foreigner who comes here does not come to the dealer. For instance, the Government of Italy is one of the largest purchasers of tobacco. The Italians do not come to any dealer; they come to the local warehouseman and get their tobacco. All that this provision does is to permit the country merchant to deal locally in tobacco in its raw state, and he must sell it, not to foreigners, not to manufacturers, but must sell it alone to those who consume the tobacco.

It does seem to me that the local dealer ought to have a right to do that.

Mr. CARAWAY. To do it at the expense of the grower?

Mr. McKELLAR. Oh, no; it forms an additional market for that particular kind of tobacco. There are very few people who use tobacco in its raw state, comparatively speaking, but it does give an additional market to these dealers, and to whatever extent they build it up, they will have the right to sell. As a matter of fact, the cooperative associations and the producers of tobacco do not sell it in its raw state, anyway.

Mr. CARAWAY. If it is sold locally, it must be sold in competition with the farmer.

Mr. McKELLAR. Quite the contrary; it must be sold in competition with the manufacturer.

Mr. CARAWAY. The Senator says it is sold locally. If it is sold locally, it must be sold in competition with the grower, because sold locally means sold where it has been produced.

Mr. McKELLAR. Of course, if the Senator knows no more about it than that, he will just have to take whatever course he chooses.

Mr. TRAMMELL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Florida?

Mr. McKELLAR. I yield.

Mr. TRAMMELL. If the dealer can buy, and has to pay a tax of only 8 cents, and the manufacturer has to pay a tax of 18 cents, is there not brought into the market competition with the farmer, as far as the ultimate consumer is concerned?

Mr. McKELLAR. No; not at all.

Mr. TRAMMELL. In other words, he has tobacco, and he has paid only 8 cents——

Mr. McKELLAR. He can not sell it to anybody but to the man who consumes it.

Now, Mr. President, I want to explain just one thing more. Those who think that the country merchant should not be deprived of this privilege of selling tobacco will vote "nay"; those who think he ought to be deprived, and that the manufacturers ought to have the sole control of the tobacco markets of the country, will vote in the affirmative. I ask for a vote.

Mr. SIMMONS. I ask for the yeas and nays.

The PRESIDENT pro tempore. The question recurs upon agreeing to the amendment on page 216, covering lines 6 to 15, inclusive, as proposed by the committee, and on this question the yeas and nays have been demanded.

The yeas and nays were ordered.

Mr. COPELAND obtained the floor.

Mr. McKELLAR. Will the Senator from New York yield to me for just a moment?

Mr. COPELAND. I yield.

Mr. McKELLAR. My colleague [Mr. TYSON] has called my attention to the fact that he does not think it is understood that this tobacco which is proposed to be sold to the consumer is to be used by the consumer in its absolutely raw state. It is not to be changed in any way. It is simply sold in the leaf, without being twisted. It can not be twisted. If it is, under the opinion of the department, it becomes manufactured. Therefore it has to be sold in its raw state, without any stems taken out, without being mashed in the slightest degree.

Mr. COPELAND. Mr. President, introductory to what I have to say I would like to ask the Senator from Utah [Mr. SMOOT] how much money was involved in the question of the mutual fire insurance companies' amendment?

Mr. SMOOT. The mutual fire and casualty——

Mr. COPELAND. I mean simply the farmers' fire-insurance companies.

Mr. SMOOT. I do not know the amount.

Mr. COPELAND. Was it $100,000?

Mr. SMOOT. No one can tell the amount, because they are all together. There was about $56,000 in all involved.

Mr. McKELLAR. Mr. President, will the Senator from New York yield?

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Tennessee?

Mr. COPELAND. I yield.

Mr. McKELLAR. I ask my friend from New York if he will not permit us to have a vote on the tobacco amendment before he proceeds to discuss some other matter. I am sure the debate on the tobacco amendment has been exhausted. May we not have a vote on it?

Mr. COPELAND. I am perfectly willing to yield the floor if the Presiding Officer will assure me that I can have it when the vote is taken. I do not want an adjournment or recess taken before I have a chance to address the Senate briefly.

The PRESIDENT pro tempore. If the Senator from New York shows his usual agility in addressing the Chair he undoubtedly will be recognized.

Mr. SIMMONS. Mr. President, in connection with the amendment which is now under consideration and upon which we are about to take a vote, I send to the desk a statement submitted by the Tobacco Manufacturers Association of the United States formally opposing the provision, mainly upon the ground that I have already stated, and I ask permission to have it printed in the RECORD as a part of my remarks.

I desire to say that if the amendment prevails and the dealers are permitted to sell the tobacco upon the basis of an 8-cent tax, they will develop a very large business in the sale of tobacco, and the Government will lose 10 cents a pound upon each pound of tobacco sold. The effect upon the revenues of the country, if that method is adopted and sanctioned by the law, in my judgment, would result in a loss of $20,000,000 or $30,000,000 of revenue to the Government.

The PRESIDENT pro tempore. Without objection the request of the Senator from North Carolina is granted.

The statement is as follows:

PROTEST AGAINST NEW TAX ON LEAF TOBACCO SUBMITTED ON BEHALF OF TOBACCO MANUFACTURERS

(Sec. 401, subdivision b, p. 203 Senate Committee Print No. 1, also lines 25 and 26, p. 204, and lines 1 to 5, p. 205 id.)

To the Senate Committee on Finance:

On behalf of the tobacco manufacturers, as well as manufacturers of cigars and cigarettes, including also a large number of tobacco jobbers, embraced within this association, we are taking the liberty of submitting this earnest protest against the enactment of subdivision (b) of section 401, H. R. 1 (Senate Committee Print No. 1, p. 203), levying an entirely new tax upon the sale of unmanufactured leaf tobacco for consumption.

Coupled with this new tax provision there is also an amendment prescribing packages in lines 25 and 26 on page 204 and lines 1 to 5 on page 205 (Senate Committee Print No. 1) of the revenue bill passed by the House.

These amendments were introduced on the floor of the House as committee amendments without any previous intimation to the tobacco industry and without affording any representative interested in the manufactured products an opportunity to be heard or to submit any argument relative thereto.

Under the existing laws tobacco farmers as well as cooperative growers' associations are entirely unrestricted in their sales of leaf tobacco. They may sell leaf tobacco not only to dealers (which dealers, though, may sell only to other dealers or to manufacturers) but even to consumers without any tax or any regulations whatsoever.

Thus in recent years quite a number of individuals or concerns have developed a new business of selling leaf tobacco in small packages, from 1 to 10 pounds, direct to consumers by mail. These people are operating as agents for tobacco farmers, or holding themselves out as such, so that they may carry on this traffic without any restrictions and without paying any tax on the tobacco sold.

As will be seen from photostats of some of the advertisements reproduced herein, these leaf tobacco vendors, by means of advertisements,

are not only catering to tobacco chewers and tobacco smokers but also to cigar and cigarette smokers, furnishing them with printed instructions how to make their own cigars and cigarettes, and also supplying them free of charge with flavoring extracts, etc.

Needless to say that this traffic has been hurtful to manufacturers of all types of tobacco products, and more particularly to manufacturers of smoking and chewing tobacco.

Yet due to the fact that these sales can only be made direct to the consumer they are under existing law necessarily limited to mail-order business, and hence the extent of this competition with manufactured products has been accordingly limited.

Under the new amendment, hereinabove referred to, the present practice will remain unchanged for farmers and cooperative farmers' associations, including also their so-called agents, will still remain exempt from paying the new tax on direct sales to consumers. But it will create an entirely new industry of selling leaf tobacco put up in small packages through the medium of jobbers and retailers in direct competition with manufactured products.

In other words, under this new amendment anyone might engage in the business of putting up brands of leaf tobacco in small packages, paying a tax thereon of 8 cents per pound, and market them through jobbers and retailers in the same manner as manufactured products are being marketed, whereas manufactured tobacco bears a tax of 18 cents per pound. And, of course, he might advertise it as the farmers' so-called agents are now advertising, knocking the manufactured product and claiming all sorts of advantages for using tobacco in the whole leaf and, of course, too, with elaborate instructions how to use it, either for pipe or for chewing, or how to make cigars or cigarettes, etc. (See appended specimens of advertisements.)

It is most respectfully and urgently submitted that such competition ought not to be permitted against an industry which yields over $350,000,000 a year in revenue. This competition would surely be directed against smoking and chewing tobacco manufacturers, who are contributing in the neighborhood of $70,000,000 a year in revenue.

Moreover, such traffic can not but react injuriously upon the tobacco farmer. For obviously anything which may injure the tobacco manufacturing business must ultimately react to the detriment of the farmer. While creating a strong prejudice against the use of manufactured tobacco products through means of advertisements, as is now being done in a limited way, the entire tobacco business must necessarily suffer. Whatever disorganizes, as this would, the ordinary business of manufacturing tobacco and its products is detrimental to the farmer, for after all it is ordinary manufacturers of tobacco and its products who must furnish the real market for leaf tobacco. Whether such disorganization results in reducing the demands of ordinary manufacturers or in inducing them to use cheaper tobacco to meet this new competitor who is to pay less than half the tax that the manufacturer is paying, the real effect would be hurtful to the tobacco grower.

So that whether from the viewpoint of protecting the tobacco manufacturing industry and the enormous revenue it produces to the Federal Government or of saving tobacco farming from a serious situation, we respectfully submit that this new and last-minute amendment should be stricken from the revenue bill.

Respectfully submitted,

TOBACCO MERCHANTS ASSOCIATION OF THE UNITED STATES,
By CHARLES DUSHKIND, *Counsel and Managing Director.*

NEW YORK, N. Y., *January 6, 1926.*

Mr. BINGHAM. Mr. President, will the Chair state the question?

The PRESIDENT pro tempore. The question is upon agreeing to the amendment proposed by the committee as carried upon page 216, where the committee proposes to strike out lines 6 to 15, inclusive. On that question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. JONES of Washington. Mr. President, I wish to announce the following general pairs:

The Senator from Kansas [Mr. CURTIS] with the Senator from Missouri [Mr. REED];

The Senator from New York [Mr. WADSWORTH] with the Senator from West Virginia [Mr. NEELY];

The Senator from Pennsylvania [Mr. PEPPER] with the Senator from New Mexico [Mr. BRATTON];

The Senator from California [Mr. JOHNSON] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Delaware [Mr. DU PONT] with the Senator from Florida [Mr. FLETCHER];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES]; and

The Senator from Vermont [Mr. GREENE] with the Senator from Texas [Mr. MAYFIELD].

Mr. GERRY. I wish to announce that the Senator from Texas [Mr. MAYFIELD] is necessarily absent. If present, he would vote "nay."

The result was announced—yeas 48, nays 9, as follows:

YEAS—48

Bingham	Ferris	Keyes	Robinson, Ind.
Blease	George	McLean	Shipstead
Brookhart	Gerry	McMaster	Shortridge
Bruce	Goff	McNary	Simmons
Butler	Gooding	Means	Smith
Cameron	Hale	Metcalf	Smoot
Capper	Harreld	Moses	Stanfield
Caraway	Harris	Norbeck	Stephens
Copeland	Harrison	Oddie	Warren
Deneen	Heflin	Overman	Watson
Edge	Jones, Wash.	Pine	Weller
Edwards	Kendrick	Reed, Pa.	Willis

NAYS—9

Ernst	McKellar	Sackett	Trammell
Frazier	Nye	Sheppard	Tyson
La Follette			

NOT VOTING—39

Ashurst	du Pont	King	Reed, Mo.
Bayard	Fernald	Lenroot	Robinson, Ark.
Borah	Fess	McKinley	Schall
Bratton	Fletcher	Mayfield	Swanson
Broussard	Gillett	Neely	Underwood
Couzens	Glass	Norris	Wadsworth
Cummins	Greene	Pepper	Walsh
Curtis	Howell	Phipps	Wheeler
Dale	Johnson	Pittman	Williams
Dill	Jones, N. Mex.	Ransdell	

So the amendment of the committee was agreed to.

Mr. SMOOT. Mr. President, there is one other amendment, on page 217 of the bill, with reference to the tobacco question that went over until the final decision on the amendment which was just agreed to. I ask that the committee amendment on page 217 may be agreed to.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 217 the committee proposes to strike out lines 18 to 25, inclusive, in the following words:

All unmanufactured leaf tobacco sold or removed for sale or consumption (except by the grower thereof, or a tobacco growers' cooperative association as defined in subdivision (f) of section 3360 of the Revised Statutes, as amended) shall be put up in such packages (not exceeding six in number) as the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury shall prescribe.

The amendment was agreed to.

THE COAL SITUATION

Mr. COPELAND. Mr. President, I believe I am right in my understanding that the Senator from Utah [Mr. SMOOT] said, in connection with the farmers' fire-insurance companies and the amendment just agreed to this afternoon, that the amount involved is about $58,000. I want to call attention to the fact that to-day the Senate for 2 hours and 12 minutes listened to the Senator from Kentucky [Mr. ERNST] in a reply to a criticism passed upon the Bureau of Internal Revenue by the Senator from Michigan [Mr. COUZENS] a day or two ago—2 hours and 12 minutes. The Senate also spent an hour and 55 minutes discussing the relief to be afforded the farmers' mutual fire-insurance companies—1 hour and 55 minutes. I am very glad, indeed, that the Senate saw fit to reverse its committee in that particular matter and to exempt the farmers' fire-insurance companies. I am in full approval of the matter.

But I want the country to know that to-day the Senate of the United States spent 1 hour and 55 minutes giving consideration to a question involving an amount varying, according to the statements made to me, from $50,000 to $58,000. I find that certain distinguished administration Senators went back on the committee and reversed the committee in order that they might throw out a little sop to the farmer, who is always fooled by the Republican Party. I hope on this occasion that the farmer may be shrewd enough to see that there must be some special reason when such rock-bound Republicans vote anything of real money to the farmer.

I find that the Senator from Illinois [Mr. DENEEN], the Senator from New Jersey [Mr. EDGE], the Senator from Maine [Mr. HALE], the Senator from Colorado [Mr. MEANS], the Senator from South Dakota [Mr. NORBECK], who has become very regular of late, the Senator from California [Mr. SHORTRIDGE], the Senator from Indiana [Mr. WATSON], and the distinguished chairman of the Republican National Committe, the Senator from Massachusetts [Mr. BUTLER], voted for $58,000 relief to the millions of farmers of the country.

It took an hour and 55 minutes to afford that infinitesimal relief. But, Mr. President, for fear that the tax bill might be delayed, the Senate refused to do anything for the people of this country who are suffering on account of the coal strike. Fifty-eight thousand dollars, a year's rebate, is given to the farmers and their mutual fire-insurance companies, yet for this very day of Saturday, February 6, while we have been in

session in this body, the losses in wages to the anthracite coal miners, according to the Literary Digest, have been $1,150,000. While we spent an hour and 55 minutes in saving the farmers of this country $58,000, we have kept out of the pockets of the miners in Pennsylvania for one day's wages, today's wages, $1,150,000.

Mr. President, on my desk I have a telegram from the Catholic priest in Minersville, Pa., saying:

> Please for the love of humanity urge President Coolidge to intervene in the anthracite coal strike situation. Neither the Senate nor the President of the United States can any longer look with cold indifference upon the plight of so many people suffering from cold and hunger.

The telegram is signed by Rev. Joseph A. Karalius, of St. Francis Church.

Here [exhibiting] is a letter from St. Patrick's Rectory in Wilkes-Barre, Pa., begging that we do something in this matter.

Here [exhibiting] is a letter from the Pottsville Merchants Association of Pennsylvania, referring to the disastrous conditions of business in that community.

Here [exhibiting] is a letter from the Shenandoah, Pa., Merchants Association, referring to the starvation and business depression because of the indifference to and inactivity in bringing about a settlement of the coal strike.

Mr. President, I have here letters from pastors of churches of my city of New York, one from the Nazarene Congregational Church and also letters from other churches. I have another letter from the Millerson Realty Corporation, begging that action be taken to bring about a discontinuance of the coal strike because a thousand families in buildings that they own are suffering from the cold because of the inability to get coal.

Mr. President, on the sidelines and from occasional references in the newspapers I see the charge made that the New York Democrats are playing politics. We do not have to play politics in this matter. All the people in my State who are suffering are Democrats. We do not have to play politics; we are not going to get any votes by our efforts in this behalf. Neither do I want to embarrass the President of the United States.

If I were President of the United States, under the circumstances I am not sure but I would take exactly the position he takes. He has been slapped so many times by the Senate that he does not want to be slapped again. He has no reason to believe that the Senate wants the strike settled. I have not the slightest doubt, however, if the Senate would pass a resolution requesting the President to bring the operators and the strikers to the White House for a conference, that the warm-hearted President in the White House would be glad to do it. He would have the assurance that if he failed in his effort the Senate would not criticize him and find fault with him. If the President of the United States, who personifies the public opinion of this country, can not bring about arbitration for a settlement of this strike nobody can.

I know what it means to intervene in a strike. I have had some experience in that matter myself, Mr. President. In New York in 1919 the day was set for a strike of the stationary engineers and firemen, the men who furnish heat to the apartment houses, the hotels, the clubs, and the business houses of New York. We were at the beginning of an epidemic of influenza, which was then raging in the city. I went before that body of 7,000 strikers in the Lexington Theater one Sunday afternoon. I had to go with a police guard to get in.

I pointed out to them what it would mean to have a strike and have the fires go out in those buildings; that pneumonia and deaths by the thousands would follow in the city. I pointed out to them what had happened the previous fall of 1918, when 35,000 of our citizens died of influenza and pneumonia. In the name of humanity I begged them to end the strike. It was easier to get them to do it than to get those who were on the other side of the controversy, but they came together and the strike was settled.

I had a similar experience in the milk strike, another one in the strike of the draymen carrying foods, and another when the railroad "rump" strike was on. Mr. President, if the health commissioner of one city can bring about an adjustment of strikes, why can not the great President of the United States do so?

The President of the United States is the outstanding figure in this country, the man who means more to the operators and the miners than does any other individual in America. Why not ask him to make an effort to bring about a resumption of coal mining?

Mr. HARRISON. Mr. President, will the Senator yield for a moment?

Mr. COPELAND. I yield.

Mr. HARRISON. I see the Senator from Nevada [Mr. ODDIE] is in the Chamber. I should like to ask the Senator from Nevada if he knows what reason the Secretary of Commerce has for not making some report upon the so-called Oddie bill?

Mr. COPELAND. Mr. President, the able pen of the Senator from Nevada drew the bill referred to by the Senator from Mississippi. The Senator from Nevada has had that bill before the Senate since the 8th day of December; it was the third bill presented here. It makes provision for carrying out the recommendations of the Coal Commission and has in it a splendid provision for dealing with an emergency like this. I should be very glad if the Senator from Nevada would tell us what is keeping back that bill.

Mr. ODDIE. Mr. President, since I have been asked by the Senator from New York and the Senator from Mississippi to make a statement regarding the bill introduced by me in December, which was referred to the Committee on Mines and Mining, of which I am chairman, I will state that, as chairman of the committee, I referred that bill to the Department of Commerce, as is customary in such cases, for an opinion. So far no report has come to the committee from the department.

Several weeks ago when the coal question and that bill were under discussion in the Senate I made a very brief statement and expressed the opinion that during the pendency of the unfortunate controversy in the anthracite coal industry of Pennsylvania I did not believe it wise to press for action on my bill. It was not drawn as an emergency measure, although it contains a provision dealing with emergencies when they arise.

Mr. President, I sympathize most deeply with the people of Pennsylvania who are suffering as a result of this unfortunate conflict in the anthracite coal industry, and I hope that that situation will soon be relieved; but, to be perfectly frank, I do not believe that a national emergency exists so long as there is an abundance of bituminous coal to be had. I am not discussing now the prices charged and the possible excess profits made by the dealers in coal; that matter is being considered by a Senate committee; but I believe that my bill, which contemplates general coal legislation, can be handled more wisely if when it is debated there shall exist no controversy in the coal industry. I believe under the heat of passion we can not secure just and wise legislation as we can at other times.

Mr. HARRISON. Mr. President, before the Senator takes his seat, if the Senator from New York will permit me——

Mr. COPELAND. Certainly.

Mr. HARRISON. Of course, there is not much heat and passion about the present situation; but there is a great deal of cold surrounding it. However, the Senator introduced his bill on the 8th of December, I think?

Mr. ODDIE. Yes.

Mr. HARRISON. Of course, taking its usual course, it was sent to the Department of Commerce?

Mr. ODDIE. Yes.

Mr. HARRISON. The Senator sent it to the Department of Commerce around the 10th of December.

Mr. ODDIE. Within a day or so of that date.

Mr. HARRISON. It has been some two months before the Secretary of Commerce?

Mr. ODDIE. Something less than that.

Mr. HARRISON. Well, about that length of time. Has the Senator had any conference with the Secretary of Commerce with reference to his bill pending this controversy?

Mr. ODDIE. I had a very short conference with the Secretary some weeks ago, as I mentioned on the floor of the Senate in my discussion of the bill about two weeks ago, and in that conference I asked the Secretary if he would give the bill careful consideration. He said he would. I told him frankly that I thought while the coal controversy in Pennsylvania was pending, action on my bill might have a tendency to embarrass any possible settlement.

Mr. HARRISON. Does the Senator think the Secretary of Commerce is holding the bill back and not making a report because of anything the Senator told him, or because of something the President, perhaps, may have told him, or is he acting on his own initiative?

Mr. ODDIE. I can not answer that, Mr. President.

Mr. HARRISON. Does the Senator think that the Secretary was influenced by what the Senator told him, namely, that he did not think any action should be taken while the strike was pending?

Mr. ODDIE. I can not say to the Senator from Mississippi whether the Secretary of Commerce is holding back a report because of what I told him or not. He is a man of ability and is able to make up his own mind on matters of this kind.

Mr. HARRISON. I was merely trying to find out, if I could, what is the reason why the Secretary of Commerce does not make a report on this bill, which has been before him for two months and relates to a very important matter, one in which the country is interested, as well as the people in the coal regions and in the Northeast. I did not know whether the Senator had tried to get a report from him; had insisted that one be submitted, or had told the Secretary to hold it back and not make a report, because he did not think Congress ought to consider the subject at this time.

Mr. ODDIE. Mr. President, I have not asked the Secretary to withhold his report at all. My statement to him was a comment of my own as to my opinion of the situation as it existed at that time. I can not answer for the Secretary, because I know he speaks for himself.

Mr. COPELAND. Mr. President, what we have learned from the chairman of the Committee on Mines and Mining reminds me of the proposition which the President discussed in his message, namely, that the recommendations of the Coal Commission should be carried out and authority should be written into the law so that the President in time of emergency might deal with the emergency. Here is a bill which embodies all those recommendations referred to the Secretary of Commerce—shall I say the overworked Secretary of Commerce? The department of general reference, the Commerce Department, is headed by this Secretary, who has time to worry about rubber used in tires used by the rich, but who has not had time to give consideration to a matter having to do with the health and lives of women and children. If that bill had come back from the President's Cabinet by Christmas or by the first week in January, it could have been law by this time, and we would have had the authority which the President says he must have.

Mr. President, the Republican Party can not escape responsibility for this situation; and so far as my voice will carry I want the people in this country who are going to shiver with the cold over Sunday to know that a member of the President's Cabinet and the party in power in this administration are responsible for the situation.

Mr. HEFLIN. Mr. President, the Senator spoke a little while ago about the Democrats in New York being cold, while the Republicans were not suffering from the cold. I take it from that statement that the Senator is fighting for relief for the cold Democrats, while his colleague [Mr. WADSWORTH] is voting on the side of the warm Republicans. The Senator's colleague is not with him in this matter; is he?

Mr. COPELAND. I was very sorry, I may say in reply to my friend from Alabama, that my colleague voted as he did. You know, in Washington we have that great joy, the political gossip. Mr. President, if Al. Smith decides not to be a candidate for governor—I hope he will not so decide—I assume that my colleague [Mr. WADSWORTH] will be the Republican candidate for governor; and then in 1928 New York State will have the Republican presidential nominee, Mr. WADSWORTH, and the Democratic nominee, Mr. Smith. Then we will find out, Mr. President, just how the poor people in New York will vote, and I am here to say that they will vote for Al. Smith.

Mr. CARAWAY. May I ask the Senator from New York if he is willing to let the Democrats name their own candidate in 1928?

Mr. COPELAND. The Democratic Party always does just exactly as it wants to do.

Mr. HEFLIN. The Senator himself might accept the nomination.

Mr. COPELAND. Not at all; not at all. It is bad enough to be a Senator! But, Mr. President, putting prophecy aside, I hope the Senators over Sunday will carry in mind those pictures representing coal lines in my city. Bear in mind that those pictures on the wall over there were taken before this last snowstorm. I hope they will bear in mind that there are thousands upon thousands of people, thousands upon thousands of families in the cities of the northeast who are unhappy and uncomfortable and threatened with disease and perhaps with death, some of them, because of the unwillingness of the Republicans in this body to afford any measure of relief.

Mr. REED of Pennsylvania. Mr. President, I send to the desk a telegram, which I received a short time ago, and ask that it be read.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the telegram will be read.

The Chief Clerk read as follows:

NEW YORK, N. Y., *February 4, 1926.*

Hon. DAVID REED,
United States Senator, United States Senate,
Washington, D. C.

HONORABLE SIR: Newspaper reports of this morning state that Senator COPELAND, of New York, addressed the Senate yesterday on the coal situation and stated that the people in New England are freezing to death on account of fuel shortage. Investigation does not bear out these facts. The public are responsible for the shortage of coal, if any, in New England, for they had opportunities to secure fuel at any time during the past three months. As operators of union mines in central Pennsylvania, as well as on the Bessemer & Lake Erie Railroad, working under the Jacksonville scale, owing to our inability to receive a price sufficient to cover our costs of production we are working only three days a week. We can offer from 50,000 to 100,000 tons of run-of-mine bituminous coal to any responsible dealer that Senator COPELAND may designate at a price of $2.50 free on board mines on Clearfield rate of freight delivery before April 1, 1926.

WHITNEY & KEMMERER.

Mr. KING. Mr. President, I desire to make one observation in connection with the coal situation.

Undoubtedly the State of Pennsylvania, in which this conflict exists, has power to deal with it in a manner not committed to the Federal Government. I had the opportunity to suggest to many coal operators, as well as coal consumers, recently in Philadelphia that the legislature of that State were in session, that they had the power to deal with this important matter under the authority which belonged to the legislature of the State, and that their powers were not limited, as were the powers of the Federal Government.

It does seem to me that the crisis which has been referred to calls for some action by the Legislature of the State of Pennsylvania, and it would seem to me that they should take action and that the responsibility rests upon them rather than upon the Federal Government or upon the President of the United States.

I do not mean to say that the Federal Government may not under certain circumstances, perhaps under the interstate-commerce clause of the Constitution of the United States, enact legislation to deal with emergencies which contemplate the shipment or the prevention of the shipment of coal from one State to another. I am not addressing myself to that question, but merely accentuating what I believe is an important fact, that the people of Pennsylvania and the Legislature of Pennsylvania should deal with this question.

Just one word more, and then I shall take my seat. This matter is not pertinent to what I have just observed.

RESCUE OF CREW OF FREIGHTER "ANTINOE"

My attention is called, from reading the papers, to the following dispatch:

UNITED STATES MAY WITHHOLD AWARDS

WASHINGTON, Feb. 5.—The Department of Commerce will be asked by President Coolidge to determine whether the American Government, through granting of medals or otherwise, should accord official honor to the officers and crew of the *President Roosevelt*, who rescued 25 men from the disabled British freighter *Antinoe*.

Pending action by the department, the President is inclined to believe the rescuers have been sufficiently recognized by the British Government for their heroism in saving the lives of British sailors.

Mr. President, the action of the officers and men of the American ship *President Roosevelt* has brought to them the admiration and encomiums of the civilized world. Particularly in Great Britain they have been the recipients of compliments and of friendly consideration; they have been received with warm acclaim by people in high official station; and their splendid and superb act of heroism has challenged the admiration of that country. It does seem to me that in this country we should express our approval, and that, if the executive department does not act, the Senate of the United States should take some action expressing its thanks for and commendation of the splendid and heroic deed of these men.

Some one has just put in my hand a paper in which the following article appears:

BRITAIN OFFICIALLY LAUDS SEA HEROES—PERSONAL GREETINGS OF KING PRESENTED TO "ROOSEVELT" MEN AND OFFICERS

(By the Associated Press)

SOUTHAMPTON, England, February 6.—The British Government today paid official tribute to the gallantry of the American officers and seamen of the United States liner *President Roosevelt*, who last week rescued the crew of the British freighter *Antinoe*.

Welcomed into the harbor by a continuous roar of whistles and sirens, mingled with the cheers of thousands of persons, the liner was boarded by a delegation headed by the president of the board of trade, Sir Philip Cunliffe-Lister, acting as the personal representative of King George.

Sir Philip greeted all the officers and members of the lifeboat crew in the name of the King, and after a luncheon presented to those who engaged personally in the rescue the "gold medal for gallantry for saving life at sea." He also presented plate from the board of trade

to Capt. George Fried, First Officer Robert Miller, Third Officer Thomas Sloans, and Fourth Officer Frank Upton.

* * * * * * *

Captain Fried, in reply, paid solemn tribute to those who lost their lives in the great attempt and expressed gratification at having been able to same the *Antinoe's* crew.

The captain's speech was punctuated by cheers. First Officer Miller, who followed, also was given an ovation. Boylston Beal, special attaché of the American embassy, spoke on behalf of Ambassador Houghton.

The presentations were made to Captain Fried and the members of the rescue crew under blazing lights and with a score of motion-picture cameras clicking. The speeches were broadcast throughout the British Isles.

Captain Tose, of the *Antinoe*, presented Captain Fried with a check for some £300 of voluntary contributions which he had received after broadcasting the story of the rescue. This money will be sent to the families of the two men who lost their lives.

Captain Tose also presented personal gifts of inscribed cigarette cases to Captain Fried and Officers Miller, Sloan, and Upton.

* * * * * * *

My attention is also called to the following article in the last edition of the Evening Star, which has just been brought to the Senate:

CAPTAIN FRIED AWARDED NAVY CROSS BY PRESIDENT FOR HEROIC RESCUE

Capt. George Fried, commander of the steamship *President Roosevelt*, to-day was awarded the Navy cross by President Coolidge, on the recommendation of Secretary Wilbur, in recognition of his heroic services in rescuing the crew from the British freighter *Antinoe* during the recent heavy storm in the North Atlantic.

I wish that this belated recognition had been accorded a little earlier, and that recognition had been extended to the crew as well as to the captain. At any rate I commend the President for his belated act in this matter. It was not to be expected, however, in view of the statement which I read to the effect that the President believed that the thanks extended by the British Government were sufficient recognition for their gallantry and heroism.

Mr. JONES of Washington obtained the floor.

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

Mr. JONES of Washington. I yield to the Senator from New Jersey.

BARNEGAT LIGHT STATION

Mr. EDGE. I ask unanimous consent to report a bill, and then to follow that with a request for its immediate consideration. This is an emergency measure, and I will take up just one minute to explain it.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the report will be received.

Mr. EDGE. From the Committee on Commerce, I report back favorably, without amendment, Senate bill 1746, to authorize the Secretary of Commerce to transfer the Barnegat Light Station to the State of New Jersey; and I submit a report (No. 147) thereon.

Mr. President, I shall not take up the time of the Senate at this hour. The approval of the Secretary of Commerce accompanies the bill. It is for the purpose of permitting the State of New Jersey to appropriate, through its present legislature now in session, the sum of approximately $75,000 to save the Barnegat Light. It is necessary that Congress give authority to transfer the title, so that New Jersey can make that gift to the Federal Government.

The PRESIDENT pro tempore. The Senator from New Jersey asks unanimous consent for the present consideration of the bill just reported by him. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of Commerce be, and he is hereby, authorized to convey to the State of New Jersey the Barnegat Lighthouse Reservation, N. J., and tower thereon, the reservation being described as follows in deed of April 22, 1857, from John Ashley Brown to the United States:

All that certain tract or lot of land situate, lying, and being on Long Beach in the township of Union, county of Ocean and State of New Jersey, being a part of the tract of land conveyed by Jacob D. Harring and wife by duly executed deed under their hands and seals, dated the 2d of April, anno Domini 1851, and recorded in the clerk's office of the county of Ocean at Toms River, in book 2 of deeds, page 108, to Joseph Brown in fee, and by the said Joseph Brown and wife conveyed to the said John Ashley Brown in fee by deed duly executed under their hands and seals, bearing date the 16th day of April, anno Domini 1857, reference being had to said deeds as will more fully appear and is bounded and described as follows: Beginning at the southwest corner of a lot of land belonging to the United States, running south 2° east 850 feet to a stake or stone, thence north 88° east 528 feet, to a stake or stone, thence north 2° west 850 feet to the southeast corner of the lot belonging to the United States; thence along the line of the said lot 528 feet to the place of beginning, containing 10 acres more or less, together with the right of way over the said John Ashley Brown premises, and the free passage of persons to and from said premises conveyed by these presents, with any and all kinds of teams, carriages, wagons, or other vehicles from any landing place now used or hereafter to be used either upon the bay, inlet, or ocean side, with the free use of said landings upon his said premises, subject to the following conditions; that is to say, the said party of the second part shall restrict the keepers of the lighthouse and other improvements about to be erected upon said premises, or any other persons, from keeping a grocery store, tavern, or boarding house thereon: *Provided*, That the United States reserves the right for the Lighthouse Service to maintain a light in the tower or at such other place on the reservation as the needs of navigation may require, and the right to enter upon the reservation by the most convenient route for the purpose of maintenance of said light or lights: *Provided further*, That this transfer is authorized to enable the State of New Jersey to maintain this reservation for historical purposes and for the preservation of the lighthouse tower, and that if the State should not continue to use the reservation for these purposes, the said reservation and tower shall revert to the United States.

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

HOUSE BILLS REFERRED

The following bills were severally read twice by title and referred as indicated below:

H. R. 5858. An act for the relief of Charles Ritzel; to the Committee on Claims.

H. R. 183. An act providing for a per capita payment of $100 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States; to the Committee on Indian Affairs.

H. R. 585. An act for the relief of Frederick Marshall;

H. R. 787. An act for the relief of Fayette L. Froemke;

H. R. 1110. An act granting six months' pay to Lucy B. Knox;

H. R. 1840. An act for the relief of Edward A. Grimes;

H. R. 2267. An act for the relief of James J. Meehan;

H. R. 2537. An act for the relief of Arthur L. Heckyell;

H. R. 2636. An act for the relief of Claude S. Betts;

H. R. 2703. An act granting six months' pay to Anton Kunz, father of Joseph Anthony Kunz, deceased, machinist's mate, first class, United States Navy, in active service;

H. R. 2808. An act for the relief of Paymaster Herbert Elliott Stevens, United States Navy;

H. R. 3431. An act for the relief of Frederick S. Easter;

H. R. 3572. An act for the relief of Russell H. Lindsay;

H. R. 3646. An act for the relief of Herbert T. James;

H. R. 4172. An act to place John P. Holland on the retired list of the United States Navy;

H. R. 4600. An act for the relief of Frederick D. W. Baldwin;

H. R. 5263. An act for the relief of Charles James Anderson, former commander, United States Naval Reserve Force;

H. R. 6136. An act granting six months' pay to Constance D. Lathrop; and

H. R. 7348. An act for the relief of Joseph F. Becker; to the Committee on Naval Affairs.

H. R. 533. An act for the relief of Henry Simons;

H. R. 534. An act to remove the charge of desertion from the record of Benjamin S. McHenry;

H. R. 818. An act for the relief of William A. Glasson;

H. R. 1459. An act for the relief of William Lentz;

H. R. 1598. An act for the relief of Robert E. A. Landauer;

H. R. 1717. An act for the relief of Alonzo C. Shekell;

H. R. 1721. An act for the relief of Francis Forbes;

H. R. 1827. An act for the relief of Frank Rector;

H. R. 1962. An act for the relief of Charles F. Getchell;

H. R. 2172. An act for the relief of Joseph A. Choate;

H. R. 2315. An act for the relief of J. W. La Bare;

H. R. 2745. An act to correct the military record of Tennessee McCloud;

H. R. 2787. An act for the relief of John T. O'Neil;

H. R. 2987. An act for the relief of Samuel T. Hubbard, jr.;

H. R. 3107. An act for the relief of Estle David;

H. R. 3380. An act for the relief of Frederick Sparks;

H. R. 3448. An act for the relief of John Solen;

H. R. 3546. An act for the relief of William H. Armstrong;

H. R. 3624. An act for the relief of Hannah Parker;

H. R. 4252. An act for the relief of Thomas H. Burgess;

H. R. 4287. An act for the relief of Jacob F. Webb;

H. R. 4576. An act for the relief of James A. Hughes;
H. R. 4585. An act for the relief of Andrew Cullin;
H. R. 4835. An act to remove the charge of desertion from the records of the War Department standing against William J. Dunlap;
H. R. 4884. An act for the relief of Walter L. Watkins, alias Harry Austin;
H. R. 5126. An act for the relief of Henry Shull;
H. R. 6226. An act for the relief of Edward N. Moore;
H. R. 6674. An act to correct the military record of Willard Thompson, deceased;
H. R. 6847. An act to correct the military record of Thornton Jackson;
H. R. 6874. An act for the relief of James Madison Brown; and
H. R. 7036. An act for the relief of John R. Anderson; to the Committee on Military Affairs.

THE COAL SITUATION

Mr. COPELAND. Mr. President——

Mr. JONES of Washington. There are many Senators here who would like to get away, and if it will take just a moment, I will yield to the Senator.

Mr. COPELAND. I should be very sorry, indeed, to have this important matter and these other questions go over. Why should we not stay here and do the work of the country? That is what we are here for. We have had a lot of matters presented to us, such as the Senator from Pennsylvania has called up about being able to buy a carload of coal at the mine. Certainly you can do that if you have the money to buy a carload of coal and to pay the freight, to pay the storage fees, and to hire a truck to deliver it. All that is possible. But the people I am talking about do not buy coal by the carload. They buy it by the hundred pounds.

I want to read just a little clipping into the RECORD, and then I assure my friend from Washington I will be through for the week. This is from the Philadelphia Ledger, and refers to conditions in Philadelphia:

POOR COAL CAUSES DROP IN CITY WATER PRESSURE—STEAM FAILURE AT PUMPING STATIONS IMPAIRS SERVICE; GET NEW FUEL

Inferior coal which the city pumping stations have been forced to use because of the anthracite strike was responsible for the low water pressure prevalent in the city yesterday, according to Alexander Murdock, chief of the water bureau. Mr. Murdock said that a new supply of high-grade anthracite was received at pumping stations last night and that to-day the water pressure will be normal.

The city has been forced to use soft coal and poor grades of anthracite under the boilers at the pumping stations. As a result, engineers have been unable to raise a full head of steam, and the water pressure has fallen off. Several sections of the city yesterday were entirely without water, while in many instances there was not sufficient pressure to raise it above the first story of homes and buildings.

"It has been necessary, too," Mr. Murdock said, "to hold back some pressure for emergencies, especially within the last 36 hours. The cold weather always brings a number of fires, and water for this purpose must be conserved."

I am quite hopeful that since the situation has actually gone into the cities of Pennsylvania we may have more enthusiasm from the officials from that State to end the situation and to permit the people to get coal.

POSTAL REVENUE

Mr. McKELLAR. Mr. President, the Senator from Washington has kindly yielded to me to submit a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Tennessee will state his inquiry.

Mr. McKELLAR. Is it proper to ask the present occupant of the chair, who happens to be a Senator, if he has learned when the Postmaster General will submit a report on the income of the Post Office Department arising from the increase of revenue made last spring?

The PRESIDENT pro tempore. The Chair does not recognize that as a parliamentary inquiry, but in his capacity as a Senator he will answer in the negative.

Mr. McKELLAR. When will the Postmaster General submit the report?

The PRESIDENT pro tempore. The Chair, in his capacity as Senator, does not know.

EXECUTIVE SESSION

Mr. JONES of Washington. 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.

PUBLIC BATHING BEACH, SANTA BARBARA COUNTY, CALIF.

Mr. SHORTRIDGE. I ask unanimous consent for the present consideration of the bill (S. 2519) to enable the Board of Supervisors of Santa Barbara County to maintain a free public bathing beach on certain public land.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, at the end of line 12, to insert a comma and "in the absence of an express order of the Secretary of the Interior restoring the land to such laws with such restrictions and limitations as the said Secretary may prescribe," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized, in his discretion, upon application by the Board of Supervisors of Santa Barbara County, Calif., to issue to such board, for the benefit of such county, a free permit authorizing the use, improvement, and maintenance of all that portion of northeast quarter northeast quarter, northwest quarter northeast quarter, southeast quarter northwest quarter, southwest quarter northeast quarter, southeast quarter northeast quarter, section 20, and southwest quarter northwest quarter, section 21, township 4 north, range 28 west, San Bernardino meridian, lying south of the main slough as its north boundary, and the beach line of the Santa Barbara Channel as its south boundary, such area being approximately 24 acres, for a free public bathing beach, under conditions which will allow the fullest use of the land for recreational purposes. Such permit shall remain in full force and effect as long as the county complies with the conditions therein and maintains such land as a free public bathing beach. Such land shall not be subject to the mining laws of the United States, in the absence of an express order of the Secretary of the Interior restoring the land to such laws with such restrictions and limitations as the said Secretary may prescribe.

The amendment was agreed to.

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

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

FOX RIVER BRIDGES, ILLINOIS

Mr. BINGHAM. From the Committee on Commerce I report back favorably without amendment the bill (H. R. 5240) to authorize the construction of a bridge across Fox River, in Dundee Township, Kane County, Ill., and I submit a report (No. 148) thereon. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Chicago & North Western Railway Co., a corporation organized and existing under the laws of the State of Illinois, and its successors and assigns, to construct, maintain, and operate a bridge across the Fox River at a point suitable to the interests of navigation in sections 15 and 22, township 42 north, range 8 east of the third principal meridian, the same being in Dundee Township, Kane County, Ill., in accordance with the act of Congress 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.

Mr. BINGHAM. From the Committee on Commerce I report back favorably without amendment the bill (H. R. 6090) granting the consent of Congress to the State of Illinois to construct, maintain, and operate a bridge and approaches thereto across the Fox River in the county of McHenry, State of Illinois, in section 18, township 43 north, range 9 east of the third principal meridian, and I submit a report (No. 149) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State of Illinois to construct, maintain, and operate a bridge and approaches thereto across the Fox River, at a point suitable to the interests of navigation, in the county of McHenry, State of Illinois, in section 18, township 43 north, range 9 east of the third principal meridian, 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.

LAKE MICHIGAN BRIDGE, CHICAGO RIVER, ILL.

Mr. BINGHAM. From the Committee on Commerce I report back favorably without amendment the bill (H. R. 7187) granting the consent of Congress to the South Park commissioners and the commissioners of Lincoln Park, separately or jointly, their successors and assigns, to construct, maintain, and operate a bridge across that portion of Lake Michigan lying opposite the entrance to Chicago River, Ill., and I submit a report (No. 150) thereon. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the South Park commissioners and the commissioners of Lincoln Park, separately or jointly, and their successors and assigns, to construct, maintain, and operate, at a point suitable to the interests of navigation, a bridge and approaches thereto across that portion of Lake Michigan lying opposite the entrance to Chicago River, Ill., in the city of Chicago, county of Cook, and State of Illinois, 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.

BENEFITS OF PROHIBITION

Mr. SHEPPARD. I offer for publication in the RECORD an address delivered by the Senator from Washington [Mr. DILL] a few days ago in favor of prohibition.

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

SPEECH FOR PROHIBITION—RADIO WRC—FEBRUARY 4, 1926

(By Senator C. C. DILL of Washington)

What are the results of six years of prohibition? I am frank to say the results are both good and bad.

First, let us consider the evil that has followed its adoption. Bootleggers have smuggled great quantities of liquor into this country from Canada and other foreign countries. Breweries, illicit stills, and home brewing have produced and distributed large quantities of poisonous liquors among our people. Worst of all, those engaged in this illegal traffic have corrupted many of the public officials appointed and paid to stop the traffic.

There is no debate about these facts. The drys admit them and claim the wets are to blame. The wets proclaim and even exaggerate them and blame prohibition.

The debate to-night is concerned with what we should do to remedy these conditions. What has been proposed?

First, to repeal the amendment. Even the wets admit this is impossible. Prohibition is a political question. Under our form of government the people decide political questions at the ballot box. After discussing prohibition and voting on it for 50 years, sentiment grew stronger and stronger until the people repeatedly decided overwhelmingly for prohibition. Thirty-three of forty States had prohibition before the eighteenth amendment, and 21 of those 33 States were made dry by direct vote of the people. Forty-six of the forty-eight States ratified the amendment, and all but three States have State enforcement acts to support prohibition. So, I repeat, the proposal to repeal the eighteenth amendment by getting 36 States against it can not be considered seriously as a remedy for the present evils.

In the last analysis public opinion rules in this country and public opinion has driven the saloon out of the United States until even the antiprohibitionists dare not urge its return.

What do the antiprohibitionists propose? The amendment of the Volstead Act to legalize the sale of beer and wine. What arguments do they advance in support of this remedy? They say that drunkenness and deaths from alcohol are increasing under prohibition. Their theory is that since alcoholic liquor illegally sold increases drunkenness and deaths, to legalize the sale of more alcohol will remedy these evils. In other words, illegal liquor makes them drunk and kills them. Legalizing the sale of alcohol will keep them sober and save their lives.

The truth is that prohibition has not caused more drunkenness and more deaths from alcohol in the United States. Comparative statistics are not conclusive nor convincing. The police of our cities charge everybody with being drunk whose breath smells of alcohol when arrested, while formerly only those who were maudlin or disorderly were so charged. Any man or woman need only walk up and down the streets of the great cities of America to-day, among sober and well-dressed people, and then recall the conditions of a few years ago, when women and children avoided those parts of cities where saloons were located because of drunken men who staggered about and often insulted them.

Convictions for drunkenness in England and Wales for 1923 were two and a half times greater in proportion than in the United States, being 200 for every 100,000 there, as against 83 for every 100,000 in the United States. The city of London arrests three and a half times as many people for drunkenness as New York, and Paris twice as many. The bread lines and unemployment of the people of wet countries of Europe, and their debt-dodging tactics, in comparison to the good wages, complete employment of our people, and our great prosperity enabling us to pay our debts and cancel large parts of those of European countries are more eloquent facts in support of prohibition than any statistics that can be quoted.

As to the deaths from alcohol, the records of the Census Bureau for the five years preceding prohibition show that the average death rate from alcoholic causes was 3.9 per 100,000, while during the five years since prohibition it is only 2.4 per 100,000.

Of course the antiprohibitionists argue that the alcoholic content of the beer and wine which they would legalize would not be intoxicating. They say one-half of 1 per cent is too low, that the percentage should be higher in order to satisfy the craving for a beverage with a kick in it. The trouble is that if it is high enough to have a kick in it, it becomes intoxicating. Sometimes they suggest 2.75 per cent beer, and then again they declare they do not insist on a particular percentage, but simply that it be nonintoxicating.

But what is the highest percentage that is nonintoxicating? The only answer to that question is to be found by experiment. What intoxicates one person may not intoxicate another, and vice versa. Then, too, it depends in part upon how much of the beverage is drunk.

That recalls the story of the German who was arrested for being drunk in the old saloon days. When brought into court the judge asked, "How many did you drink last night?" The German replied, "Vot you mean, Judge, kegs?" So I say it depends on how many kegs you drink whether or not the liquor of small alcoholic content is intoxicating.

How did Congress happen to fix one-half of 1 per cent as the alcoholic content for nonintoxicating liquors? Who originated that definition? The answer is most interesting. It was the brewers and distillers themselves. As long ago as 1862 they demanded an enactment to protect them against illicit liquor dealers who had no license and insisted that any liquor whose alcoholic content is above one-half of 1 per cent was intoxicating.

The officials of the Government accepted that definition, and for more than half a century that was the accepted limit of alcohol for nonalcoholic liquor. In addition to that, 26 States had previously fixed one-half of 1 per cent as the limit of alcohol in nonintoxicating liquors, and 38 States now have laws that would make a Federal law raising the alcoholic content above 1 per cent entirely illegal within those States.

The antiprohibitionists maintain that there is a great public demand for the legalizing of a higher alcoholic content of beer and wine, but it appears that the people have voted on that question also in various parts of the country.

Arizona, in 1916, voting on beer and wine, voted 12,000 "no."
Oregon, in 1916, voting on beer and wine, voted 54,000 "no."
Colorado, in 1916, voting on beer and wine, voted 85,000 "no."
Washington, in 1916, voting on beer and wine, voted 146,000 "no."

But it may be argued that those were votes that were taken before national prohibition had been adopted. Let us look at the votes that have been had since national prohibition.

California, in 1921, voting on beer and wine, voted 33,000 "no."
Ohio, in 1919, voting on beer and wine, voted 30,000 "no."
Michigan, in 1919, voting on beer and wine, said 207,000 "no."
Ohio, in 1922, voting on beer and wine, said 190,000 "no."

If Ohio and Michigan are against wine and beer, what States excepting two or three Eastern States could muster sufficient demand to even bring about a vote on the subject.

I realize, however, that there might be reasons for a change of political sentiment on this subject, so I desire to discuss what would be the results of a beer and wine amendment.

It would bring back more than 90 per cent of the old liquor business, because 92 per cent of saloon business in the United States before prohibition was beer business. It would bring back 150,000 to 175,000 saloons. Of course the beer and wine advocates say that they are opposed to the restoration of the saloon. It isn't a question of what they want. It is what would be the result?

Where would they sell this liquor? In groceries? Well, if they did these groceries would soon become saloons in fact if not in name, because the sale of beer and wine would soon drive the masses of customers to establishments where no beer was sold. It was just this process that brought about the American saloon. Intoxicating liquors were formerly sold in groceries and other stores. The people objected to it and the result was that such places were established for the sale of intoxicating liquor, and thus the American saloon was created, and so the restoration of the wine and beer traffic will mean the reestab-

lishment of the 150,000 to 200,000 saloons which prohibition abolished. If we can't enforce prohibition now, think what it would mean if 150,000 saloons selling beer were available for the selling of whisky. If they sold beer a large percentage of them would sell whisky, too. They never obeyed the law before prohibition except in paying license fees, and they would not obey it again.

The proposal to regulate the drinking evil by licensing wine and beer is not new. It was tried by several States before national prohibition was established. Georgia and Iowa particularly found it made conditions far worse.

It would make conditions worse all over the United States again because it would give legal sanction to the development of the alcohol habit. Alcohol is a habit-forming drug. One drink calls for another, and the use of beer and wine would only increase the demand for alcohol. An ordinary glass of beer contains about ten times as much as a drink of whisky, so that two glasses of beer with 2.75 per cent alcohol would more than equal one drink of whisky with 40 per cent alcohol.

Let me call your attention to another fact. Prohibition received its greatest impetus a few years ago in the South and West. Why? Because the people of the South wanted to keep liquor away from the negroes, and the people in the West wanted to keep liquor away from the Indians. The negro, under the influence of alcohol, returns to the barbaric condition of his jungle ancestors. The Indian, with fire water, soon becomes a wild savage again. A small amount of alcohol will quickly destroy all the civilizing influences of association for many generations, and enough alcohol affects most white men in the same way.

Since we can not repeal the prohibition amendment, and since to bring back beer and wine would only make conditions worse, there is only one course to follow if we are to remedy the evils that confront us, and that is the straightforward, honest course of obeying and enforcing the law.

How shall we do this?

First. There should be a nation-wide educational campaign against the use of alcohol and in favor of law enforcement and obedience to law.

Second. Stop the smuggling of liquor from Canada and Europe by larger border patrols and by use of the Navy at sea, if necessary.

Third. Pay prohibition enforcement officials better salaries.

Fourth. Take the appointment of prohibition officials out of politics and appoint and retain them on their merits.

We have never had real law enforcement since the eighteenth amendment was adopted; but poor as the enforcement has been, the benefits are greater than have ever flowed from any reform in the United States, unless it be the abolition of slavery.

Just now the Senate is passing the tax reduction bill to restore $300,000,000 of taxes to the channels of trade. It is agreed everywhere that this will add to our prosperity. The liquor traffic of this country amounted to $2,500,000,000 annually before prohibition. In other countries the liquor trade has practically doubled since the war, and, no doubt, it would have doubled here without prohibition. A return to the liquor traffic would mean the taking of from five to ten times the amount of tax reduction out of the ordinary channels of trade and pour it into the liquor business.

Prohibition has had a part in the greatest prosperity this country has ever known. Secretary Hoover reports that the standard of living has actually risen 19 per cent in the United States since the adoption of prohibition. The explanation is simple.

The great masses of working men of America, instead of buying pails of beer, buy houses and furniture and food and clothing for their families. Largely as a result of the sobriety and responsibility of the great masses of working people which prohibition has brought about, business firms have built up the greatest credit business in the history of the world. Almost any citizen can buy anything from the necessities of life to an automobile and house on the installment plan. Arthur Pound, in the Atlantic Monthly for February, estimates the annual credit business of merchants at $5,000,000,000 annually. This added to the $1,500,000,000 of home buying on the installment plan, brings the total to $6,500,000,000. The same authority gives the savings and investments of last year as $12,500,000,000.

I do not say all this is due to prohibition, but I do say that prohibition has helped tremendously. When we recall that during the last five years labor organizations have been able to establish banks all over the United States with millions of dollars of resources and growing all the time, when we recall that the working people of all the great industries are acquiring hundreds of millions of dollars of stock in those corporations for which they work, and when we recall that the masses of our people have a higher standard of living, better homes, more of the comforts of life, more telephones and automobiles, more picture shows, than any other people on earth to-day, and that the greatest advancement in this direction has been made in the past five years, we should follow the road that has led us this far and retain prohibition as one of the greatest blessings that has come to the American people. It was 40 years before the American people quit the slave trade after Congress legislated against it. Other laws have been difficult to enforce for considerable periods of time, but prohibition will continue in this country because it brings better health, better homes, more prosperity, and greater happiness to the great masses of our people than was ever known here previous to its adoption.

RECESS

Mr. JONES of Washington. I move that the Senate take a recess, the recess being until Monday at 11 o'clock.

The motion was agreed to; and the Senate (at 5 o'clock and 55 minutes p. m.), under the order previously made, took a recess until Monday, February 8, 1926, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate February 6 (legislative day of February 1), 1926

UNITED STATES ATTORNEYS

Charles B. Kennamer, of Alabama, to be United States attorney, northern district of Alabama. (A reappointment, his term having expired.)

Elliott Northcott, of West Virginia, to be United States attorney, southern district of West Virginia. (A reappointment, his term having expired.)

Arthur Arnold, of West Virginia, to be United States attorney, northern district of West Virginia, vice Thomas A. Brown, whose term has expired.

UNITED STATES MARSHAL

Rippon W. Ward, of North Carolina, to be United States marshal, eastern district of North Carolina. (A reappointment, his term having expired.)

APPOINTMENTS IN THE REGULAR ARMY

Under his true name of Fremont Swift Tandy, to be second lieutenant, Corps of Engineers, with rank from June 12, 1924.

[NOTE.—This officer has heretofore been borne on the records of the War Department under the assumed name of Fremont Swift Thompson. He has produced satisfactory evidence showing that his real name is Fremont Swift Tandy.]

MEDICAL CORPS

To be first lieutenant

First Lieut. Fritjof Arestad, Medical Corps Reserve, with rank from January 29, 1926.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

SIGNAL CORPS

Second Lieut. Arthur Charles Boll, Air Service, with rank from June 12, 1925.

CAVALRY

Second Lieut. Charles Howard Valentine, Air Service, with rank from June 30, 1925.

FIELD ARTILLERY

Second Lieut. Joseph Kerr Gibson, Air Service, with rank from June 30, 1925.

COAST ARTILLERY CORPS

Second Lieut. Frederick Raymond Keeler, Infantry, effective June 12, 1926, with rank from June 12, 1924.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONEL

Lieut. Col. Richard Kerr Cravens, Adjutant General's Department, from February 2, 1926.

TO BE LIEUTENANT COLONELS

Maj. Hans Oscar Olson, Infantry, from January 28, 1926.

Maj. Alfred Brandt, Infantry, from February 2, 1926.

TO BE MAJORS

Capt. Harold George Salmon, Finance Department, from January 28, 1926.

Capt. Archie Henry Willis, Finance Department, from February 2, 1926.

TO BE CAPTAINS

First Lieut. Michael Condon Shea, Field Artillery, from January 28, 1926.

First Lieut. Paul Dillard Carter, Infantry, from February 1, 1926.

First Lieut. Charles John Wynne, Quartermaster Corps, from February 2, 1926.

First Lieut. Paul Henry Weiland, Field Artillery, from February 2, 1926.

First Lieut. Marvin Wade Marsh, Infantry, from February 2, 1926.

TO BE FIRST LIEUTENANTS

Second Lieut. Selby Francis Little, Field Artillery, from January 28, 1926.

Second Lieut. Milo Glen Cary, Coast Artillery Corps, from February 1, 1926.

Second Lieut. Harold Joseph Conway, Coast Artillery Corps, from February 2, 1926.

Second Lieut. Gustin MacAllister Nelson, Infantry, from February 2, 1926.

Second Lieut. Frank Joseph Spettel, Infantry, from February 2, 1926.

PROMOTIONS IN THE NAVY

Lieut. Commander John C. Cunningham to be a commander in the Navy from the 19th day of October, 1925.

The following-named lieutenant commanders to be commanders in the Navy from the 16th day of November, 1925:

Karl F. Smith.

Ernest W. McKee.

Lieut. Frederick D. Powers to be a lieutenant commander in the Navy from the 16th day of November, 1925.

Lieut. Vincent H. Godfrey to be a lieutenant commander in the Navy from the 4th day of September, 1925.

Lieut. Myron J. Walker to be a lieutenant commander in the Navy from the 16th day of November, 1925.

Lieut. (Junior Grade) Irving B. Smith to be a lieutenant in the Navy from the 22d day of April, 1925.

Lieut. (Junior Grade) Haskell C. Todd to be a lieutenant in the Navy from the 22d day of October, 1925.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 7th day of June, 1925:

Morton B. Sterling.

John T. Bottom, jr.

Lieut. (Junior Grade) Jim T. Acree to be a lieutenant in the Navy from the 8th day of August, 1925.

Lieut. (Junior Grade) Edwin C. Bain to be a lieutenant in the Navy from the 26th day of August, 1925.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 4th day of September, 1925:

Edward H. Doolin.

William Hibbs.

Lieut. (Junior Grade) Marvin H. Grove to be a lieutenant in the Navy from the 16th day of September, 1925.

Lieut. (Junior Grade) Clayton S. Isgrig to be a lieutenant in the Navy from the 20th day of September, 1925.

Lieut. (Junior Grade) James A. Crocker to be a lieutenant in the Navy from the 1st day of October, 1925.

Lieut. (junior grade) Charles L. Hutton to be a lieutenant in the Navy from the 16th day of November, 1925.

Lieut. (junior grade) Allan D. Blackledge to be a lieutenant in the Navy from the 1st day of December, 1925.

The following-named ensigns to be lieutenants (junior grade) from the 3d day of June, 1925:

William E. Brice.

Harry B. Jarrett.

The following-named passed assistant surgeons to be surgeons in the Navy, with the rank of lieutenant commander, from the 4th day of June, 1925:

Edwin D. McMorries.

Page O. Northington.

Carlton L. Andrus.

John R. Poppen.

The following-named passed assistant dental surgeons to be dental surgeons in the Navy, with the rank of lieutenant commander, from the 4th day of June, 1925:

William T. Davidson.

John A. Walsh.

Naval Constructor Elliot Snow to be a naval constructor in the Navy, with the rank of rear admiral, from the 23d day of January, 1926.

Boatswain Leonard D. Douglas to be a chief boatswain in the Navy, to rank with but after ensign, from the 20th day of October, 1924.

Boatswain Louis Frommer to be a chief boatswain in the Navy, to rank with but after ensign, from the 20th day of December, 1924.

Machinist Robert Odening to be a chief machinist in the Navy, to rank with but after ensign from the 3d day of October, 1925.

Pay Clerk Henry F. Rodner to be a chief pay clerk in the Navy, to rank with but after ensign from the 1st day of September, 1925.

Pay Clerk Louie L. Lindenmayer to be a chief pay clerk in the Navy, to rank with but after ensign from the 24th day of September, 1925.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 6 (legislative day of February 1), 1926

SOLICITOR OF DEPARTMENT OF STATE

Green H. Hackworth.

POSTMASTERS

ALABAMA

Thomas W. Naugher, Chase.
George W. Graves, Russellville.
James B. Washington, Tuskegee Institute.

CALIFORNIA

Joseph M. Hamilton, Crescent City.
Anna Crossland, Loleta.
William N. Falley, Mill Valley.
Percy S. Peek, Mokelumne Hill.
Spencer Briggs, Oleum.
Elmer G. Crofts, Penryn.
George C. Gianola, Pescadero.
James J. Heckman, Selma.
Janet D. Watson, Tahoe.
Clayton C. Darrow, Willits.

CONNECTICUT

John L. Eliot, Clinton.

ILLINOIS

Howard B. Mayhew, Bradford.
Lewis D. Leach, Bridgeport.
Howard A. Hammer, Buda.
Henry M. Fritscher, Dieterich.
Bessie McTamaney, Fort Sheridan.
Peter Thomsen, Fulton.
George M. Clark, Galesburg.
Clare D. Sherwood, Lake Villa.
Harry E. Beekman, Petersburg.
Herbert L. Rawlins, Thomson.

INDIANA

John W. Rudolph, Montgomery.

IOWA

Walter H. Lake, Bedford.
Benjamin A. Brown, Colfax.
Daniel Anderson, Lamoni.
Rufus W. McKnight, Marengo.
Harry E. Frantz, Winthrop.

KANSAS

Charles A. Godding, Burns.
Frank E. Enlow, Galesburg.
Maggie Dowell, Gaylord.
Ernest Toomey, Neodesha.

KENTUCKY

Joseph R. Kimmel, Drakesboro.

LOUISIANA

Margaret Berger, McDonoghville.

MARYLAND

Clayton C. Wilson, Cordova.
Martin M. Wright, Easton.

MASSACHUSETTS

Webster L. Kendrick, West Brookfield.

MICHIGAN

Ben H. Davis, Edwardsburg.

MISSISSIPPI

James C. Bonds, Guntown.

MISSOURI

William O. Tout, Archie.
Mollie Sparks, Bellflower.
Roy B. Woods, Bernie.
Ruby W. Benecke, Brunswick.
Hulie J. Walker, Cardwell.
Raymond E. Miller, Carl Junction.
Ralph D. Stonner, Chamois.
Edna H. Barbee, Clark.
James D. Reynolds, Clarksburg.
Earnest R. Smith, Collins.
Thomas F. Merrigan, Conception Junction.
Edwin S. Brown, Edina.
William F. Haywood, Ellington.
Joseph J. Henke, Florissant.
Karina K. Black, Fordland.
Rose C. Geyer, Graham.

William E. Fuson, Hartville.
Earle W. Phillips, Henrietta.
George S. Brown, Hornersville.
George P. Megaffin, Hunnewell.
Paul P. Bradley, Leeton.
William A. Barris, Marionville.
Leonard Ford, Morley.
Elvin Lee, Mountain Grove.
William F. Crigler, Nevada.
Arthur S. Calame, Niangua.
John F. Hamby, Noel.
Thomas O. Spillers, Otterville.
Ruth E. McCormick, Reeds Spring.
Evelyn S. Culp, Rocky Comfort.
Nelle Whalen, Rushville.
Milton Wilhelm, Seligman.
Charles F. Hamrick, Stover.
Junius M. Bryant, Strafford.
James Z. Spearman, Tuscumbia.
Leonard D. Fisher, Union Star.
Isaac M. Galbraith, Walker.
John Black, Washburn.
Edwin McKinley, Wheaton.

NEBRASKA

Alfred G. Taylor, Chappell.

NEW YORK

Richard Bullwinkle, Central Valley.
Frederick M. Avery, Cold Water.
George W. Mohlfeld, Cutchogue.
Edward T. Sheffer, Shortsville.
William R. Crawford, Warsaw.
William F. Raynor, West Hampton Beach.

NORTH CAROLINA

Sam L. Franks, Franklin.
Albert Z. Jarman, Richlands.

OHIO

French Crow, Marion.
Earl Augustine, Montpelier.
Florence Mutchler, Rutland.
George W. Hurless, Waterville.
William G. Hoffer, Willshire.

OREGON

Guy E. Tex, Central Point.
Ethel N. Everson, Creswell.
Albert M. Porter, Gaston.
Elizabeth E. Johnson, Gresham.
William G. Smith, Mill City.
Carl A. Peterson, Orenco.
John S. Sticha, Scio.
Rever G. Allen, Silverton.
William E. Tate, Wasco.

PENNSYLVANIA

John L. Chapman, Blue Ridge Summit.
Charles N. Thompson, Buck Hill Falls.
Elmer P. Richards, Easton.
Frank H. Shenck, Landisville.
Harry Zanders, Mauch Chunk.
Frederick W. Kiefhaber, McVeytown.
Wilberforce Schweyen, Mifflintown.
Howard Weiss, Northampton.
Harry H. Carey, Plymouth.
Robert E. Gammell, Tremont.
Julius C. Gleason, Villanova.

SOUTH CAROLINA

Elizabeth D. Kirksey, Pickens.
John S. McCall, Society Hill.

TENNESSEE

James S. Braswell, Murfreesboro.

VERMONT

George F. Flint, Chelsea.
Carrie E. Sturtevant, East Fairfield.
Garvin R. Magoon, Gilman.
Marion J. Hall, South Ryegate.
Lilla S. Hager, Wallingford.

WASHINGTON

Orris E. Marine, Colton.
Frank R. Jones, Lacrosse.
Adam L. Livingston, Mabton.
Theo Hali, Medical Lake.
Lucy F. Bushnell, Napavine.
Wayne S. Kelsey, Opportunity.
Ira G. Allen, Pullman.
Laura P. McIntyre, Skykomish.
Thomas J. Smith, Spokane.

HOUSE OF REPRESENTATIVES

SATURDAY, *February 6, 1926*

The House met at 12 o'clock noon.

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

We praise Thee, our Father in heaven, for Thou art the King of love whose goodness faileth never! The sublime truth is with us: "Greater love hath no man than this." It glorifies all there is in earth and sky and places supreme value upon the worth of man. We thank Thee that there is nothing to separate us from this divine love and providential care. May we enjoy life at its best and give this life of joy to others. Forgive our failures and help us to an increasing mastery over self. With unfaltering faith and courage endow us, and thus may we promote good and righteous government among all men. Through Jesus Christ our Lord. Amen.

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

H. R. 6226

Mr. TOLLEY. Mr. Speaker, I ask unanimous consent to vacate the proceedings on yesterday whereby the bill H. R. 6226 was ordered engrossed, read a third time, and passed, and the amendment recommended by the Committee of the Whole House adopted; that said amendment recommended by the Committee of the Whole House be considered as having been rejected and that the following amendment adopted:

Strike out the proviso and insert in lieu thereof the following:

"*Provided*, That no back pay, pension, or allowance shall be held to have accrued prior to the passage of this act."

That said bill be considered as having been ordered engrossed, read a third time, and passed, and a motion to reconsider laid upon the table.

Mr. Speaker, I might say that Mr. BLACK, who made the amendment, agrees with me on this, that this change agrees with the spirit of his amendment and it is entirely in accord therewith. I ask unanimous consent to vacate the proceedings on the bill referred to and make the correction as indicated.

The SPEAKER. The gentleman from New York asks unanimous consent to vacate proceedings on the bill referred to and make the correction as indicated. Is there objection?

Mr. GARRETT of Tennessee. Correction of the RECORD or the Journal, Mr. Speaker?

The SPEAKER. It will be merely to vacate the proceedings taken yesterday. Is there objection? [After a pause.] The Chair hears none.

PERMISSION TO INTRODUCE RESOLUTION SIGNED BY MORE THAN ONE MEMBER

Mr. CLAGUE. Mr. Speaker, I ask unanimous consent that Congressmen KNUTSON, ANDRESEN, GOODWIN, and FURLOW, and myself be allowed to introduce a resolution, as I understand under the rules unanimous consent has to be granted for more than one Member to introduce a resolution.

The SPEAKER. The gentleman from Minnesota asks unanimous consent that several Members, including himself, have permission to introduce a resolution. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, does this mean to introduce a resolution——

The SPEAKER. The Chair understands, except by unanimous consent, not more than one Member can introduce a bill or resolution. The gentleman from Minnesota merely asks that he be permitted to introduce a resolution in conjunction with four of his colleagues.

Mr. GARRETT of Tennessee. Of course, we had quite a long consideration of that matter several years ago, as to whether more than one Member could attach his name to a bill or a resolution even by unanimous consent. Mr. Speaker, may I venture to suggest to the gentleman that he withhold his request for the time being, in order to look up the precedents which have been made?

Mr. CLAGUE. I introduced yesterday the resolution, but the parliamentarian stated it would have to be done by unanimous consent, as I understood; that it is against the rules to introduce it except by unanimous consent.

Mr. TILSON. I hope the gentleman will withhold this, at least until Major STEDMAN has concluded his remarks. I re-

member on the occasion to which the gentleman referred we had quite a long parliamentary battle over this very thing, but it has been so many years ago it is rather hazy in my mind, and I would like to refresh my recollection.

Mr. GARRETT of Tennessee. If the gentleman will permit me, bills are never introduced from the floor under our rules, but they are introduced from the basket. It seems to me it is a matter that the majority leader might think over very carefully, whether even by unanimous consent we can change the precedents and introduce a resolution from the floor.

The SPEAKER. The Chair's understanding is that the unanimous consent is not to permit introduction from the floor, but merely to attach four signatures to a bill introduced regularly through the basket.

Mr. CLAGUE. That is all.

Mr. GARRETT of Tennessee. That is almost the same thing, without a difference. But I do not want to kick up a quarrel about it.

Mr. TILSON. I hope my friend from Minnesota [Mr. CLAGUE] will withhold it until after the special order of the morning.

ADDRESS BY MR. STEDMAN

The SPEAKER. The Chair takes pleasure in announcing that, under an order adopted by the House, the gentleman from North Carolina, Major STEDMAN, is recognized to address the House for 30 minutes. [Applause, the Members rising.]

Mr. STEDMAN. Mr. Speaker, the traveler from distant lands who has the good fortune to visit that section of Virginia located in Carroll and Patrick Counties and that section of North Carolina lying in Surry County will be greeted by a vision of rare beauty, which ever charms and delights. Here nature is arrayed in her most gorgeous apparel, inviting rest and repose. Dense forests cover the landscape. Here the mocking bird and thrush, undisturbed, make their home and fill the air with their morning song of happiness and contentment.

In Patrick County, Va., at a place called Laurel Hill, not remote from the North Carolina line, on February 6, 1833, was born Maj. Gen. J. E. B. Stuart, commander of the cavalry of the Army of Northern Virginia, and here he passed the days of his boyhood.

His ancestry on both his father's and his mother's side was distinguished. His father, the Hon. Archibald Stuart, of Patrick County, Va., was an officer in the United States Army during the War of 1812. He was a man of splendid ability. He had the confidence, respect, and affection of all the people amongst whom he lived. His mother, Elizabeth Letcher Pannill, was a woman of rare accomplishments. She was the center of attraction in the high social circles in which she moved.

It is not my purpose to give in detail the great events which will ever be connected with his name and which cast a halo of renown and glory upon his life. It would be idle for me to attempt to do so in the brief space of time to which I must restrict myself. Chancellorsville, Brandy Station, and Gettysburg will ever recall the fields of his renown.

Nor can I call to your attention all those great qualities which formed the basis of his character and which will forever perpetuate his fame. But my heart prompts me on this, his birthday, to express my admiration for a man whose memory I shall ever cherish, whose life was one of unsurpassed courage, of unexcelled heroism, of rare self-denial—a life without stain and without reproach.

The era of 1861 was the most glorious epoch in the history of the South. During that period was given to the world many great names whose achievements have illumined the pages of history. To that list of immortals, whose glory shall never fade, belongs Maj. Gen. J. E. B. Stuart, of the Confederate Army. He inherited from his ancestors high ideals. Moral power to an eminent degree was an element of character made manifest during his entire life. The force of moral power during all ages has controlled the destiny of nations. From its influence comes a supreme sense of duty. Without it the legions of Lee would have struggled in vain for so long a time to roll back the tide of invasion across the banks of the Potomac, and the marvelous campaigns of Stonewall Jackson would have found no place upon the pages of history to gild forever with a romantic luster the beautiful valley of Virginia. Without it the great charge at Chancellorsville, led by Major General Stuart, would not have brought victory but only disaster and ruin. His mental activity was very marked as evinced by his great achievements. A supreme sense of duty was the cardinal trait of his character, and he was ever governed by its dictates. He loved the truth and kept it inviolate. No obligation resting upon him was ever neglected. A promise made to his mother that he would never taste intoxicating drinks was kept faithfully to his death, and no soldier who followed his banner ever heard him utter an oath upon any battle field of his renown. He had an abhorrence for hypocrisy and deceit. He was cast in the heroic mold and from the lofty heights where such spirits are at home looked down with scorn upon all that was base and mean.

He had a passionate love for the beautiful region where he first saw the light, and during his most active campaigns often expressed the wish that he might return there and spend his days in quiet when the strife of war was over. He was ever a friend to the weak and helpless. None ever appealed to him in vain if within his power to afford relief. Courage is of two types, physical and moral. He was the embodiment of both. His personal or physical courage made him indifferent to danger. Upon every battle field he sought the place where the strife was most severe and was as calm amidst the storm of battle as in the seclusion of his home.

Upon the field of Borodino, when Marshal Ney, almost alone and surrounded by thousands of Russians, saved the army of France from annihilation, Napoleon, in a burst of enthusiasm, said:

He is the bravest man I ever saw.

The Army of Northern Virginia, the witness of his heroism, with one accord said:

No braver man than Major General Stuart ever walked upon any battle field of this Republic or any other land.

At no time when the Army of Northern Virginia was in peril was he absent from the territory where the danger was supposed to be. The only criticism, so far as I can learn, of his entire career when commanding the cavalry of the Army of Northern Virginia was his absence on the first day's fight at Gettysburg. That criticism was unjust and without merit. He was absent under well-considered orders.

Carl Schurz in his autobiography says:

Neither General Lee nor General Meade desired to fight at Gettysburg; that General Lee wished the battle to be fought at Cashtown, and General Meade wished it at Pipe Creek.

Of course, I do not know what were General Lee's wishes as to the place where the battle should be fought, but I do know that General Stuart was guilty of no negligence and violated no order by his absence on the first day's fight.

As a military commander he had all the qualities requisite for success. As a commander of Cavalry he had no superior, and few equals, if any, in either army. General Sedgwick, an officer of high repute in the Army of the United States, said:

Stuart is the best Cavalry officer ever born in North America.

During the war between the States in the two campaigns most disastrous to the Federal Army—that of General McClellan in his unsuccessful attempt to capture Richmond, and that of General Pope—he contributed largely to the final result. He made the entire circuit of both armies and furnished information of the highest importance to Confederate headquarters.

Many critics have pronounced the Battle of Chancellorsville the most brilliant of the many victories won by Gen. Robert E. Lee. When his inferiority in numbers and the fact that the Federal troops were driven from their entrenchments are considered, the statement is probably correct. It has been called the tactical masterpiece of the nineteenth century.

This battlefield will ever be blended with the name and fame of Maj. Gen. J. E. B. Stuart. When Gen. A. P. Hill was wounded, Gen. Stonewall Jackson, upon that field of his renown, gave the last military order ever issued by him:

Send for General Stuart. Tell General Stuart to act upon his own judgment. I have implicit confidence in him.

General Lee also sent a message to General Stuart to assume command. He had gone toward Ely's Ford. When the message reached him, he rode rapidly to the scene of conflict.

The Battle of Chancellorsville was brought on by the superior strategy of General Lee, but the result on that battle field was due largely to the daring and skill of Major General Stuart. He rode in front of the Confederate forces, shouting and singing, "Old Joe Hooker, will you come out of the wilderness?"

There came back the response, "We will drive Old Joe Hooker out of the wilderness."

His heroic conduct created the wildest enthusiasm, and the cheers which greeted him could be heard above the rattle of musketry and the thunder of artillery.

The face of General Lee lighted up with a certainty of success as he listened to the cheers, and he said: "General Stuart is there. No force can stop him. The battle is won."

He has been likened by many to Marshal Ney. Both had the same splendid courage, but Marshal Ney had not the moral force which was an element in the character of General Stuart.

Marshal Ney hesitated to assume responsibility in an emergency. General Stuart always was prompt to act when duty required. Unlike Marshal Ney, who had risked his life upon a hundred battle fields for the glory and honor of France, and who was tried by the Chamber of Peers under a royal ordinance, found guilty of treason, and judicially murdered, General Stuart had the respect and confidence of his comrades during all the vicissitudes of the era which witnessed his great achievements. He had their unchanging love—a love as unselfish as that given to him by his comrades in the days of his boyhood.

They have erected to his memory in the city of Richmond a beautiful equestrian statue, upon which is engraved this well-deserved epitaph:

STUART

I've called his name, a statue stern and vast,
It rests enthroned upon the mighty past,
Fit plinth for him whose image in the mind
Looms up as that of one by God designed.
Fit plinth, in sooth! The mighty past for him
Whose simple name is Glory's synonym.
E'en Fancy's self in her enchanted sleep
Can dream no future which may cease to keep
His name in guard, like sentinel, and cry
From Time's great bastions, "It shall never die!"

His most enduring and noblest monument will be found in the hearts of the people of this great Republic, regardless of sections, from the Great Plains of the Northwest to the Gulf of Mexico. He was mortally wounded at Yellow Tavern, about 8 miles from the city of Richmond, State of Virginia, on the 11th day of May, 1864, and on the next day his mighty spirit went to a final rest, rejoicing in the triumph and faith of the Christian religion.

His death brought sincere and profound sorrow to the brave in every land. He is buried in the city of Richmond amidst the people he loved so well, in whose behalf he had displayed boundless activity and heroism unsurpassed. When his death was announced to Gen. Robert E. Lee that great commander said: "I can scarcely think of him without weeping."

Ararat River, upon whose banks he had played in his early days, to the melody of whose rippling, laughing waters he had so often listened with joy and delight, will ever sing his requiem. His name will be respected and honored in every land where patriotism and moral heroism has a home.

Fortunate is the Nation and exalted will be its destiny which can furnish to the world such a model for emulation as that portrayed in the character of Maj. Gen. J. E. B. Stuart. [Applause, the Members rising.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

A message in writing from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had, on February 4, approved bill of the following title:

H. R. 7484. An act granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across Red River near Fulton, Ark.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 2586. An act granting the consent of Congress to the J. R. Buckwalter Lumber Co. to construct a bridge across Pearl River in the State of Mississippi.

SENATE BILL REFERRED

Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 2586. An act granting the consent of Congress to the J. R. Buckwalter Lumber Co. to construct a bridge across Pearl River in the State of Mississippi; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILL SIGNED

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

S. 1423. An act to relinquish the title of the United States to the land in the donation claim of the heirs of J. B. Baudreau, situated in the county of Jackson, State of Mississippi.

CHIPPEWA INDIANS OF MINNESOTA

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to proceed for five minutes. Is there objection?

Mr. CONNALLY of Texas. Reserving the right to object, Mr. Speaker, on what subject?

Mr. KNUTSON. I am about to submit a unanimous-consent request, and I wish to explain it to the House.

The SPEAKER. The Chair hears no objection.

Mr. KNUTSON. Mr. Speaker, I feel that I am almost committing an act of desecration in taking the floor after the remarkable oration to which we have just listened, and were it not for the fact that I wish to call the attention of the House to an emergency which requires immediate action, I would not have the temerity to follow so eloquent a speaker and so beloved a Member as our good friend Major STEDMAN.

My friends, on the first day of this session I introduced the bill H. R. 183 to provide a $100 per capita payment to the Chippewa Indians of Minnesota. This action was taken at the request of the Chippewas themselves, and is the result of a very serious condition that exists among them.

The Chippewas of Minnesota are in destitute circumstances and they must have relief. The Committee on Indian Affairs very kindly reported this measure out of the committee several days ago, and this is the first opportunity that I have had to call it up; and in view of the great emergency which exists, I trust that no Member will offer any objection.

Let me say for the benefit of the House that the money that it is proposed to pay to the Chippewas belongs to them. They have with the Federal Treasury a tribal fund of something like $5,000,000 or $6,000,000, and it is for the purpose of tiding them over a very critical period that I am asking at this time, Mr. Speaker, unanimous consent for the present consideration of the bill H. R. 183.

The SPEAKER. The gentleman from Minnesota asks unanimous consent for the present consideration of the bill, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 183) providing for a per capita payment of $100 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to withdraw from the Treasury of the United States so much as may be necessary of the principal fund on deposit to the credit of the Chippewa Indians in the State of Minnesota, arising under section 7 of the act of January 14, 1889 (25 Stat. L. 642), entitled "An act for the relief and civilization of the Chippewa Indians in the State of Minnesota," and to make therefrom a per capita payment or distribution of $100 to each enrolled member of the tribe, under such rules and regulations as the said Secretary may prescribe: *Provided*, That before any payment is made hereunder the Chippewa Indians of Minnesota shall, in such manner as may be prescribed by the Secretary of the Interior, ratify the provisions of this act and accept same: *Provided further*, That the money paid to the Indians as authorized herein shall not be subject to any lien or claim of attorneys or other parties.

Amend the title so as to read: "A bill providing for a per capita payment of $50 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States."

Mr. TILSON. Mr. Speaker, reserving the right to object—and I shall not object—I wish to state that it is not usual for unanimous-consent matters to be called up on any other day except on unanimous-consent day. It is a good rule to abide by, and the only deviation from it should be in cases of real emergency. The gentleman from Minnesota [Mr. KNUTSON] has presented a case of a real emergency where there seems to be suffering and where we are asked to allow these Indians to use some of their own money. We must authorize it by appropriation, however, before they can use it, as I understand the situation.

Mr. BYRNS. Has the bill been favorably reported from the Committee on Indian Affiars?

Mr. TILSON. I so understand.

Mr. KNUTSON. It was reported on Thursday.

Mr. CARTER of Oklahoma. Reserving the right to object, Mr. Speaker, may I ask the gentleman from Minnesota [Mr. KNUTSON] this question? This bill does not say from what fund this money is to be paid, whether from the principal of the permanent fund or the interest thereof. From what funds is the payment to be made?

Mr. KNUTSON. It is to be paid from moneys to their credit in the Federal Treasury.

Mr. CARTER of Oklahoma. Both interest and principal are deposited in the Treasury to the credit of the Chippewas. But there is some considerable difference between the use that should be made of them under the law.

Mr. KNUTSON. The gentleman has been a member of the Committee on Indian Affairs for a number of years, and this bill follows the language of previous bills.

Mr. CARTER of Oklahoma. We have a treaty with the Chippewas by which certain uses can be made of the interest on the permanent fund, but which directs that the principal be held in the Treasury of the United States for 50 years after the adoption of that treaty in 1889, and that it be divided among the members of the Chippewa Tribe then living and enrolled.

Now, there is this contingency when you appropriate from the principal of the permanent fund: The personnel of the Chippewa Tribe may change considerably between now and the expiration of those 50 years, so that many of those now living will probably have died at the end of that 50-year period, and there will be some born that are not now living. As this money is divided among the Chippewas at this time, just to that extent is there a violation of the treaty, and just to that extent will the Federal Government be called upon to rectify that some time in the future by an appropriation—not from Chippewa funds but from Treasury funds.

I do not expect to object to the bill, because the gentleman says it is a necessity and that the Chippewas are in dire need at this time. But I do not think the matter should be passed without calling this to the attention of the Members of the House.

Mr. KNUTSON. There is no man on the floor of the House who knows more about Indian affairs than the gentleman from Oklahoma; and I wish to say to the House that the committee has reduced the amount called for in my bill from $100 to $50.

I have here in my hand clippings from newspapers in Minnesota calling attention to the urgency of the situation, and I sincerely trust that no Member on either side of the aisle will object to the present consideration of this bill.

Mr. McKEOWN. Will the gentleman yield?

Mr. KNUTSON. Yes.

Mr. McKEOWN. I understand that a great many of these Indians are starving and that is the occasion for the consideration of this bill at this time, and I will say to my colleague from Oklahoma [Mr. CARTER] that the Bureau of Indian Affairs suggested to the Committee on Indians Affairs that after this payment was made they were going to initiate another policy that will take care of the situation.

Mr. KNUTSON. I understand that is correct.

Mr. CARTER of Oklahoma. This is what should be done: The whole matter ought to be sent to the courts for appropriate adjudication, pending which no further depletion of the fund should be permitted.

Mr. KNUTSON. Let me say to the gentleman from Oklahoma that our committee has already reported a jurisdictional bill.

Mr. CARTER of Oklahoma. If that is not done in the end, we are going to have big claims made on the Treasury by those who are born hereafter on account of these payments to those who are now living but who will be dead at the time payments are to be made under the treaty.

Mr. KNUTSON. As I say, the committee has reported a jurisdictional bill, and we hope for early consideration of it by the House.

The SPEAKER. Is there objection?

Mr. JACOBSTEIN. Mr. Speaker, reserving the right to object, I would like to ask the majority leader if he regards this as emergency legislation?

Mr. TILSON. I do. The gentleman from Minnesota has convinced me, together with the action of the Committee on Indian Affairs, which has carefully considered the matter—and I am prepared to accept their judgment in the matter—that this is an emergency proposition.

Mr. JACOBSTEIN. I would like to ask the distinguished Member whether he would be willing to also include some coal legislation as being proper emergency legislation at this time. I consider that an emergency of greater importance than the matter now before the House. Why does not the gentleman introduce legislation of that character?

Mr. KNUTSON. I hope the gentleman from New York will not gum up the cards by any suggestions of that kind.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, with the following committee amendment: On page 2, line 2, strike out "$100" and insert in lieu thereof "$50," and amend the title.

The committee amendment was agreed to.

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

The title was amended to read as follows: "A bill providing for a per capita payment of $50 to each enrolled member of the Chippewa Tribe of Minnesota from the funds standing to their credit in the Treasury of the United States."

A motion to reconsider the vote by which the bill was passed was laid on the table.

THE COAL SITUATION

Mr. SOMERS of New York. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on the coal question.

The SPEAKER. The gentleman from New York asks unanimous consent to revise and extend his remarks in the RECORD on the coal question. Is there objection?

There was no objection.

Mr. SOMERS of New York. Mr. Speaker, winter has come. Winter with its wind and its sleet and its cold. Hitherto nature has been kind to the East, forcing us to endure only a comparatively few days of severe weather. But yesterday morning New York awoke to find itself wrapped in a blanket of snow and of ice. Ordinarily our city would pay little heed to this sort of storm, for we have learned to expect it at this time of the year. We have also learned to expect much more such weather in the next two months. Hence, it was that there arose from the lips of the people a cry of despair. For New York has no coal. It is being denied coal by a small group of militant labor leaders and avaracious mine operators, whose differences are not only permitted but are encouraged by the willfulness of an indifferent administration. Our city has its aged, its ill, and its infants, and it must have heat to keep the crape from their doors.

When the strike first threatened, the President, through his Secretary of Labor, repeatedly assured us in straightforward language the Federal Government would take drastic steps, if necessary, to prevent suffering on the part of those who were dependent on anthracite coal. Now, the strike has gone on for more than five months. Men, women, and children have borne with remarkable patience the inevitable suffering, eagerly awaiting the fulfillment of the President's promise. Are we to wait in vain? In the meantime being robbed by unscrupulous profiteering.

We have been told the State of Pennsylvania must settle this problem, but Pennsylvania politicians have betrayed the people, fearing to offend the money interest on one hand and the labor interest on the other. On the former depends their nomination; on the latter their election. No mercy can be expected there. Substitutes for coal are in such demand that the price has gone far out of the reach of the poor. They can only shiver and suffer and die.

After witnessing the obstinacy of both sides in the recent conferences, we have given up all hope for a settlement in this direction. We can only look now to the mercy of the President of our country. We have continually beseeched him to hear our pleadings. So far there has been no response.

The President could send the Army into the mines tomorrow. He could send coal into our homes in seven days. After the crisis is over, he could argue his constitutional rights in as long a period as he pleased. What we want now is coal. Not constitutional camouflage.

FIRST URGENT DEFICIENCY BILL

Mr. ANTHONY. 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. 8722, the urgent deficiency bill.

The motion was agreed to.

Accordingly the House resolved itself into the Commitee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, with Mr. CHINDBLOM in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8722, which the Clerk will report by title.

The Clerk read the title of the bill.

The CHAIRMAN. When the commitee rose on Thursday the bill was being read for amendment under the five-minute rule, and the Clerk will proceed with the reading of the bill.

The Clerk read as follows:

In all, $97,265,821.84, which shall be credited, respectively, to the appropriation accounts above enumerated.

Mr. WILLIAM E. HULL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and gentlemen, having been born and raised on a farm until 20 years of age, I have a recollection of what the farm was 35 years ago.

In that period there was always a surplus of grain on the farm. This surplus was carried by the farmer.

In those days after the harvest the haymow was filled with hay, the granaries were filled with corn and other cereals, and the straw stack remained on the outside.

The farmer went to town on Saturday, made his purchases for the necessities of life.

Then he gradually sold from the granary and haymow enough to pay his bills.

But invariably at the end of the year there was left a surplus. This surplus was in the clear and he carried it over until the next year or to such time as the prices would show a reasonable profit.

In this way the farmer carried the surplus. This was the time of the reaper, the mower, and the self-binder. But since then the farming business has changed. To-day the farmer carries on his farming with improved utensils at a high automobile speed, raises better crops, increases production, plants more land, and the result is a larger supply of products.

But when the harvest time comes his indebtedness is so large that he finds it necessary to sell the entire crop in order to raise the money to pay the bills. What is the result? Market declines, he sells at low prices, and plants at high prices, and the result his profits are nil, and the farming occupation to-day is not a profitable proposition.

Regulation of production and rotation of crops in accordance with instructions that might be sent out by the Agricultural Department would aid the farmer more than any other process. Can it be done? That is the question that always brings a negative answer.

It would seem to me that if every State through the farm organization would work out this principle the farmer would soon see the advantage of reducing production in accordance with the surplus of the previous year and in that way would regulate prices. However, this does not meet the approval of those managing the legislation for farm relief.

For the demand at this time seems to be to pass legislation to give the farmer immediate relief. What that will be is problematical. I believe that an export company would be advantageous.

Take corn as an example. Where will they export corn? There is no country in Europe that uses corn to any extent, and so corn will have to be fed for pork and the pork exported in order to dispose of this surplus in an export way.

Getting back to the surplus proposition. I believe over a period of five years there would be no surplus of any grain raised in the United States, if you could take the average. For illustration, we will start with the year 1926, and we will say that there is a surplus of corn. The surplus of that year would be placed in elevators. The Government might loan money on that crop, on the elevator receipts. The farmer could get along for another year with the use of this money, and we will say that at the end of the next year, 1927, there was another surplus of corn for that year, and the same process could be carried on. But in 1928 there might be a failure of the corn crop, and the result would be that during that year the surplus held over from the years 1926 and 1927 would be sold.

The farmer would take the income and profits and pay off the original loan, and what would be left would be his, which would necessarily be a profit, because by housing the surplus the price would be regulated to the advantage of the farmer.

Reduced prices in transportation, in my judgment, is the most feasible thing for the farmer at the present time. If we should build a waterway from Lake Michigan to the Gulf of Mexico, it will reduce the price of transportation on grains averaging from 5 to 7 cents. The result would be that if a farmer raised 60 bushels of grain on an acre, and he saves 7 cents a bushel, he would save $4.20 an acre. Add that to his profit on a hundred acres, and it would make $420 that he could put in his profit.

There are other things, such as corn sugar, that might use large quantities of the corn that the cane of southern countries have the advantage of at the present time.

The manufacture of alcohol in this country to-day is about 80,000,000 gallons per year. This alcohol is mostly all made of blackstrap coming from Cuba. If that blackstrap could be stopped from coming into this country or a regulation passed where all alcohol should be made of corn and cereals in this country, it would use up 20,000,000 bushels of grain per year. This would reduce the surplus to that extent.

My judgment is that the farmer will be obliged to work out his own salvation to a large extent, but I think that every Congressman, regardless of his location, wants to help the farmer, providing something can be brought before them that would be sound legislation.

The CHAIRMAN. The time of the gentleman from Illinois has expired. Without objection, the pro forma amendment will be withdrawn.

The Clerk read as follows:

For fees to special delivery messengers, fiscal year 1924, $213.06.

Mr. BOYLAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and gentlemen of the committee, in this morning's paper appears this cablegram from London:

STOCKINGS FOR DONKEYS—THEY WILL BE WORN IN WOMAN'S ANTIFLYBITE CRUSADE

LONDON, February 5.—The silk-stocking fad is to be taken up by the donkeys in Algeria. Mrs. F. K. Sali, who has been carrying on humanitarian work among the donkeys, mules, and camels in North Africa, is in London to collect stockings for them.

She says the animals in Algeria, especially the donkeys, suffer from flybites on their legs, and she desires to obtain worn-out stockings which will be used to keep secure bandages on their legs.

She has authority from the governors of Algeria, Tunis, and Morocco to seize any unfit animal for treatment.

Mr. Chairman, the President in his message to the Congress recently said that we should not be unmindful of the common obligations of humanity. To-day, in the city of New York and throughout the Eastern and Northern States, a snow fall encompasses the entire territory. It will take the city of New York at least 10 days to dig itself out of the snow that has fallen there, and yet that city, together with other cities of the East and North, suffers from a lack of anthracite coal. Substitutes have been used without proper effect.

Illuminating gas has been used for heating purposes, causing the death of many of the residents of our city. Soft coal is being used as a substitute, blowing out the fronts of stoves in the homes and suffocating the residents of our city, and yet the Congress remains supine. Although the President tells us we owe an obligation to humanity, we do not make a solitary move to relieve this situation. We will vote millions, even to the extent of $25,000,000, for the enforcement of a single law, but not a dollar will we spend or not a move will we make to help the suffering citizens of the North and East in our country. We are evidently proceeding under the plan that we will give millions and millions to keep a nation sober in order that they may die sober, but let them die of cold or hunger or any other thing as long as they die sober. It is the verdict of the American Congress that we will disregard the dictates of common humanity; far better that the soul in passing on to its Maker pass on, although starved, yet by all means let it pass on sober. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

The Clerk read as follows:

COAST GUARD

Additional vessels: For additional motor boats and their equipment and for five seaplanes and their equipment for the use of the Coast Guard in enforcing the laws of the United States, and in performing the duties with which the Coast Guard is charged, to be constructed or purchased in the discretion of the Secretary of the Treasury, and for repairs or alterations to or for equipping and placing in commission vessels or boats transferred from the Navy Department to the Treasury Department for the use of the Coast Guard, $3,900,000, to remain available until December 31, 1926.

Mr. HILL of Maryland. Mr. Chairman, I desire to offer an amendment.

Mr. GRIFFIN. Mr. Chairman, I desire to make a point of order against the paragraph.

The CHAIRMAN. The Chair will say to the gentleman from New York that no point of order was reserved against this bill at the time of its introduction in the House and its commitment to the Committee of the Whole House on the state of the Union.

Mr. GRIFFIN. May I say a word on that, Mr. Chairman?

The CHAIRMAN. The Chair had not stated his conclusion, but the Chair will listen to the gentleman.

Mr. GRIFFIN. I am aware of the fact that no point of order was reserved upon this bill, and it is perhaps the first

and the only bill from the Committee on Appropriations upon which all points of order have not been reserved. It seems to be necessary, under the precedents of the House, that somebody should be alert enough upon the floor when an appropriation bill is reported to rise in his place and say, "I reserve all points of order against this bill," in order to preserve the right of the 435 Members of this House to object to an obviously illegal, unlawful, and improper provision in an appropriation bill.

This bill contains an appropriation of $3,900,000 for the building or purchase of new ships. It is clearly new legislation. If a naval appropriation bill were submitted to the House containing an appropriation of $3,000,000 or more for the building of a destroyer, the peace advocates in this House would rise howling in their places and protest against it and reserve all points of order. Why is it when this bill comes in for the Treasury Department, appropriating $3,900,000 to build vessels for the Coast Guard to be used in the enforcement of prohibition, there is no man here sufficiently dispassionate to get up in his place and forget his attitude upon the prohibition question and say, "Here is a situation where the rule is being violated and an improper appropriation is being put upon a bill, and I reserve all points of order," no matter how he may think upon the merits of the question.

Mr. BYRNS. Will the gentleman yield?

Mr. GRIFFIN. I yield.

Mr. BYRNS. The gentleman brings an indictment against every Member of the House, because any Member is privileged to reserve points of order on such a bill. The gentleman brings an indictment against every Member for failure to reserve all points of order. The gentleman himself is a member of the Committee on Appropriations and a Member of this House, and the gentleman had the same privilege and the same opportunity to make the point of order that any other Member had to make a point of order against this bill. So the indictment which the gentleman draws against the membership of the House is an indictment against himself.

Mr. GRIFFIN. The gentleman is only partially stating the facts. I am a member of the Committee on Appropriations, but I was engaged in my subcommittee work. This bill was reported at 5 o'clock in the afternoon and there were not 20 Members here in the House when the bill was reported. I doubt whether there was a member of the Committee on Appropriations present when the bill was presented, and I certainly acquit the gentleman from Tennessee of any indifference about it, because I know if he had been here he would probably have reserved his rights, as he did on the War Department bill, which was reported day before yesterday.

Mr. DOWELL. May I ask the gentleman how the bill could have been reported without a member of the Committee on Appropriations being present?

Mr. WEFALD. I would like the gentleman to also get excited over the item here that carries $149,250,000 for refund of taxes. That is much larger than this item.

Mr. GRIFFIN. I will allow the gentleman to exercise his privilege to get excited over that, but I want to call the attention of the Chair and the Members of the House to the fact that we are governed by a precedent in this House that is unjust to the 435 Members of this body who are interested in all bills that come before them.

Mr. DOWELL. Mr. Chairman, I make the point of order the gentleman is not addressing himself to the point of order. The gentleman is simply trying to lecture somebody for something which he himself failed to do.

Mr. GRIFFIN. The gentleman should not interrupt me unless the gentleman is recognized by the Chair or unless I yield to the gentleman.

The CHAIRMAN. The gentleman would not have to yield to the gentleman from Iowa in order that the gentleman from Iowa might make a point of order. The gentleman from Iowa makes the point of order that the gentleman from New York is not discussing his point of order.

The Chair thinks that the gentleman has consumed more than a reasonable time in criticizing the rule rather than discussing the rule itself.

Mr. GRIFFIN. I know that the Chair is disposed to rule against me on my point of order. The point I want to make is this. I have a right to appeal——

Mr. DOWELL. Mr. Chairman, I insist on my point of order. If the gentleman from New York desires to discuss the point of order he has that privilege, but we have listened long enough to him charging everything to other Members of the House in failing to perform a duty which he failed to perform himself.

Mr. GRIFFIN. Permit me to say that my object in discussing this point of order to the extent it has gone is simply to call the attention of the House to the precedents under which we are governed and which we can override. I have a right, as the Chairman knows, to appeal from his decision and take up the time of the House in discussing the point of order and disposing of it. I do not want to do that, I am willing to abide by the decision of the Chair on this matter, but I want to put on record my protest against the method under which we are working by saying that the rights of Members are sacrificed by an apparent want of vigilance when appropriation bills come in.

It is distinctly understood that the Appropriation Committee has no right to tack new legislation upon an appropriation bill or to provide appropriations for undertakings not passed upon by legislation committees and duly enacted into law. When the Appropriation Committee was granted its extensive powers it was with the distinct proviso that it should not trespass upon the rights of the legislation committees. This salutary and eminently fair demarcation of duties may, it seems, if we are going to cling to hoary precedents, be utterly wiped out if through inadvertence there is no one on the floor interested enough in the subject to reserve all points of order when the bill is reported to the House.

If the division of duties between the Appropriation Committee and the legislation committees is desirable—and no one will deny that fact—then, whenever the Appropriation Committee exceeds its powers, as I think has been done in this case, the right of the Members to object should not be destroyed by the mere accidental omission of some member of the committee to make a technical objection when the bill is introduced. Such an omission can not make a thing right which is wrong from the beginning. It gives the committee the advantage, whereas the advantage, if any, should be reserved to the Members of the House.

Mr. BYRNS. Mr. Chairman, I ask to proceed for three minutes out of order.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for three minutes out of order. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Chairman, I simply wish to make this statement. As the gentleman from New York says, points of order are always reserved on appropriation bills when introduced. I do not think there is any Member of the House on either side that can be charged with dereliction of duty in failing to reserve a point of order on this bill, nor can any charge be made against the chairman of the Committee on Appropriations, who introduced it at the time he did. That is a privilege which belongs to every Member of the House, whether he is a member of the committee or not. It is the usual custom for members of the subcommittee to make that reservation.

The full Committee on Appropriations met in the morning and considered this bill very carefully, at which, I think, the gentleman from New York was present. Of course, every member of the committee understood when it was reported unanimously from the committee, without any point of order being made against it, that the bill would be introduced during the afternoon.

Mr. GRIFFIN. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. GRIFFIN. Does not the gentleman remember that I raised the point of order against this item in committee?

Mr. BYRNS. If the gentleman did, I withdraw my statement as to him. I had forgotten it; and, of course, I gladly accept the gentleman's statement. It was understood by every member of the committee that the bill would be introduced that afternoon by the chairman of the committee. The House was busy that afternoon considering the Agricultural appropriation bill, and the committee did not rise until about 5 o'clock in the afternoon, as the gentleman from New York states. The bill was introduced just before adjournment. I was absent from the House at that particular time, although I had been here all the afternoon. Other members of the committee were in a similar situation and were not on the floor.

Mr. GRIFFIN. And the gentleman remembers that two of the subcommittees were meeting in their rooms.

Mr. BYRNS. Yes. The fact is I was not on the floor at the time, and other members of the subcommittee were not on the floor at the time it was introduced. Therefore, not being advised of the hour it was to be reported, I was not here to make a point of order. Personally I am in favor of this particular provision and would dislike to see it go out on a point of order, but if I had been here I would have made the reservation, if others had not, so as to preserve the rights of all the members. I want to say, in addition, that I do not think the gentleman from New York has lost any rights, because the Coast Guard has already spent quite a sum of money

in building a fleet, and I am clearly of the opinion that this particular paragraph would not be subject to a point of order if the gentleman had the right to make it.

The CHAIRMAN. On the point of order pending, the Chair will say that when he was asked to preside as chairman on this bill, he was aware that no points of order had been reserved against the bill. While being generally familiar with the rule now involved, he proceeded to study the precedents and to further advise himself as to the philosophy and reasoning underlying the rule. It is some time since the rule has been invoked because, ordinarily, points of order are reserved on all appropriation bills.

It should be clearly stated first, that the right to make a point of order in Committee of the Whole is not inherent; the Committee of the Whole is a creature of the House; the Committee of the Whole has no power, no authority, except as granted by the House. As a matter of fact, each time a resolution is passed to go into Committee of the Whole or into Committee of the Whole House on the state of the Union, there is a new organization of such committee. The House, before the Committee of the Whole begins consideration of any bill, has an opportunity to pass upon points of order relating to such a bill. Points of order may be made or, without objection, may be reserved to a bill before it is committed to the Committee of the Whole, or to Committee of the Whole House on the state of the Union, for consideration. If the House desires that the Committee of the Whole shall consider points of order, that result is usually accomplished by the House permitting the reservation of points of order to be made, and then the Committee of the Whole gets jurisdiction to consider points of order. Otherwise, the theory and philosophy is that the House, having committed a bill to the Committee of the Whole House for its consideration, desires the committee to consider the whole bill and does not desire that the committee shall strike out any portion of the bill on points of order.

When portions of a bill are struck out in the Committee of the Whole on points of order, the Committee of the Whole does not report those portions of the bill back to the House; it does not even report its action upon those portions of the bill, but its report relates only to matters which have been considered in the committee and to the amendments that have been adopted. Then the House has the opportunity to act upon the amendments which have been adopted in the Committee of the Whole.

The Chair believes that the rule is a wholesome one. The Chair does not feel that it is subject to the criticism offered by one of the gentlemen in debate. No rights are lost. Anyone who objects to a paragraph in a bill which can not be made subject to a point of order may make a motion to strike out such paragraph in the bill, and a vote can be had in Committee of the Whole and subsequently in the House upon a motion to strike out the paragraph of the bill to which objection is made. In fact, the House, upon failing to order the previous question, may itself proceed to consider the report of the Committee of the Whole. The Chair is perfectly clear as to the rule and will add that, in the consideration of legislative bills, no question of order arises except as to the jurisdiction of the committee reporting the bill, and under specific rules and the precedents questions of jurisdiction in respect to a legislative bill must be raised before consideration of the bill has begun, except in the case of an appropriation on a legislative bill, to which, under a special rule, objection may be made at any time. The precedents are to the effect that the rule relating to the reservation of the points of order relates only to appropriation bills, and in the opinion of the Chair the reason for those rulings is that questions of order can not ordinarily be raised in the consideration of bills, except in the case of appropriation bills.

In view of the statements made in debate, the Chair has thought it proper to make this general statement with reference to the philosophy and effect of the rule. No point of order having been raised to the point of order made by the gentleman from New York [Mr. GRIFFIN], the Chair feels that under the decisions he must decline to entertain the point of order made by the gentleman from New York, because it relates to a paragraph in an appropriation bill, as to which bill no reservation of points of order was made.

The Chair will add that the precedents sustaining this ruling will be found in paragraph 816, under section 2 of Rule XXI in the House Manual, and in Hinds' Precedents, Volume V, pages 955–959, sections 6921–6925.

In section 6921, Volume V, of Hinds' Precedents, occurs the following:

Points of order are usually reserved when appropriation bills are referred to the Committee of the Whole in order that portions in violation of rule may be eliminated by raising points of order in committee.

The Committee of the Whole must report in its entirety a bill committed to it unless the House by a reservation of points of order sanctions the striking out of portions against order.

On July 11, 1884, the House was considering the river and harbor appropriation bill in Committee of the Whole House on the state of the Union, when Mr. Jones, of Wisconsin, made a point of order against a particular paragraph on the ground that the Committee on Rivers and Harbors had no jurisdiction of the subject, and so forth.

The point was then raised that this point might not be made, since points of order had not been reserved on the bill when it was committed to the Committee of the Whole. Mr. Joseph G. Cannon, of Illinois, referred to this paragraph of the Manual and Digest:

In case of an appropriation reported by the Committee on Appropriations in conflict with rule 21, clause 3, and committed with the bill, it is not competent for the Committee of the Whole or its Chairman to rule it out of order, because the House having committed the bill (of course, it is otherwise where the point was reserved before commitment) are presumed to have received as in order the report in its entirety.

In deciding the question of order Mr. Wellborn, of Texas, Chairman, said:

The Chairman of the Committee of the Whole on the state of the Union is asked to withhold from the consideration of the committee a particular clause in an original bill on the ground that the Committee on Rivers and Harbors, reporting the bill to the House, did not have jurisdiction over the subject matter of the particular clause. In the view which the Chairman of the Committee of the Whole takes of the question it is not necessary to decide whether the Committee on Rivers and Harbors has jurisdiction over the subject matter of this particular clause or not. Whether it originally possessed that jurisdiction, it is not necessary for the Chair to decide in the view which he takes of this question, hence the Chair will not take the time to express any opinion in reference to it.

The view of the Chair is this: The action of the House in submitting this bill to the Committee of the Whole on the state of the Union for consideration does not leave it within the province of the Chair to pass upon the question of original jurisdiction in the Committee on Rivers and Harbors. The bill has been committed to the Committee of the Whole for the purpose of consideration, and the Chairman of this committee believes that he is but executing the order of the House when he decides that the bill shall be considered. The committal of the bill to the Committee of the Whole House on the state of the Union, the Chair thinks, was not a submission to the committee of the question whether or not the bill should be considered, but an express direction to the committee to consider the bill. To hold that the Chairman of the Committee of the Whole on a point of order could go back and inquire into assorted irregularities and errors in the stages of the bill which preceded its reference to the Committee of the Whole would be either to clothe the Chairman of the Committee of the Whole with power to review and reverse the order of the House in the matter of the reference, or place the House in the anomalous position of having expressly directed the Committee of the Whole to do a particular thing and at the same time left the committee to determine whether the thing directed should be done or not.

The point of order raised by the gentleman from Indiana is overruled.

On appeal the decision of the Chair was sustained by a vote of 103 to 63.

Other decisions in Hinds' Precedents are to the same effect.

Mr. HILL of Maryland. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HILL of Maryland: Page 37, line 14, strike out the figures "$3,900,000" and insert in lieu thereof the figures "$14,994,000."

Mr. HILL of Maryland. Mr. Chairman, it is not often that I am able to approach this committee with the calm assurance that I possess at the present time, that my suggestion on pending legislation will be unanimously adopted; but I know to-day that such gentlemen as the gentleman from Georgia [Mr. UPSHAW] will eagerly support this amendment which I propose, and I feel doubly confident in this assurance because I have here upon this table before me a splendid statement from that veteran temperance reformer, Rev. Sam Small, with whom I know the gentleman from Georgia is in entire agreement, and which I shall later call to the attention of the House.

This item is for additional vessels for the Coast Guard. It appropriates $3,900,000. In view of the statements made in the hearings, in view of the far-flung coast line of the United States, and in view of the existing situation on the question, that sum of money is grossly inadequate.

In studying these hearings I have been convinced of the fact that this matter of coast defense from rum smuggling has not been approached from the theory of policy and armament. We must have sufficient armament to carry out the declared policy of this House. [Applause.] And I hope the gentleman from Georgia [Mr. UPSHAW] will continue to applaud during the rest of my discourse.

Mr. UPSHAW. I shall, as long as the gentleman keeps dry and reasonable.

Mr. HILL of Maryland. I shall; and I am going to cite Rev. Sam Small to the gentleman from Georgia.

Therefore, having made a careful analysis of the coast line of the United States, I propose to this House not a haphazard appropriation for 35 vessels, 125 feet long, with a cruising radius of a certain few miles for the defense of the coast, but I am proposing to you that we adequately protect the coast. Do not take a haphazard request for 35 vessels.

Figure out what the policy of the Nation is, figure out what the necessary armament is, and then reconcile policy and armament. I wish to read first from the hearings on page 542, and I think it is valuable that the House hear this. Admiral Billard, who has charge of the policy and armament of the Coast Guard, is being questioned by the chairman of the Committee on Appropriations:

The CHAIRMAN. I think you told the committee when you were here before that the vessels you then had you thought were adequate to meet the existing needs of the service. What has happened since that time to change your mind about it?

Admiral BILLARD. I do not recall telling the committee that.

The CHAIRMAN. Well, when we gave you the additional boats I think that statement was very comprehensively made.

Admiral BILLARD. When you gave us the additional boats, some year and a half ago, I told you that I hoped that they would be adequate, but when I was last before you I recall making no such statement.

The CHAIRMAN. Of course, I made a mistake in saying that it was when you were here last. What I meant to say was that you made the statement when we were giving you the boats. It was then that the statement was made.

Admiral BILLARD. Yes, sir.

The CHAIRMAN. Now, then, I ask you what has changed the situation to require these additional vessels?

Admiral BILLARD. Simply a better knowledge of the problem as it has developed.

My colleagues, a better knowledge of the problem as it has developed is evident in the splendid statement of the Rev. Sam Small, which I shall offer you in a few minutes:

The CHAIRMAN. What has your better knowledge of the problem disclosed?

Admiral BILLARD. It has disclosed the fact that the equipment we now have, while it can guard very satisfactorily certain sections of the coast, is not adequate to guard the entire coast.

The CHAIRMAN. Do you mean the whole coast?

Admiral BILLARD. Yes, sir; the coast where smuggling takes place.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. HILL of Maryland. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the committee, this pending bill—H. R. 8722—makes appropriations, first, to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926; second, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1926; and, third, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1927.

The whole of the proposed added Coast Guard appropriation is as follows:

COAST GUARD

Additional vessels: For additional motor boats and their equipment and for five seaplanes and their equipment for the use of the Coast Guard in enforcing the laws of the United States, and in performing the duties with which the Coast Guard is charged, to be constructed or purchased in the discretion of the Sceretary of the Treasury, and for repairs or alterations to or for equipping and placing in commission vessels or boats transferred from the Navy Department to the Treasury Department for the use of the Coast Guard, $3,900,000, to remain available until December 31, 1926.

For every expenditure requisite for and incident to the authorized work of the Coast Guard, as follows:

For pay and allowances prescribed by law for commissioned officers, cadets and cadet engineers, warrant officers, petty officers, and other enlisted men, active and retired, temporary cooks, and surfmen, substitute surfmen, and one civilian instructor, fiscal year 1926, $1,235,000;

For pay and allowances prescribed by law for commissioned officers, cadets and cadet engineers, warrant officers, petty officers, and other enlisted men, active and retired, temporary cooks, and surfmen, substitute surfmen, and one civilian instructor, rations or commutation thereof for cadets, cadet engineers, petty officers, and other enlisted men, fiscal year 1927, $1,218,141;

For rations or commutation thereof for petty officers and other enlisted men, fiscal year 1926, $100,000;

For fuel and water for vessels, stations, and houses of refuge for the fiscal years that follow:

For 1926, $20,000;

For 1927, $336,206;

For outfits, ship chandlery, and engineers' stores, fiscal year 1927, $102,700;

For carrying out the provisions of the act of June 4, 1920, for the fiscal years that follow:

For 1926, $10,000;

For 1927, $3,000;

For mileage and expenses allowed by law for officers, and actual traveling expenses, per diem in lieu of subsistence not exceeding $4, for other persons traveling on duty under orders from the Treasury Department, including transportation of enlisted men and applicants for enlistment, with subsistence and transfers en route, or cash in lieu thereof; expenses of recruiting; rent of rendezvous and expense of maintaining the same; advertising for and obtaining men and apprentice seamen, for the fiscal years that follow:

For 1926, $20,000;

For 1927, $12,000;

For coastal communication lines and facilities and their maintenance, fiscal year 1926, $30,000;

For draft animals and their maintenance, fiscal year 1926, $4,000;

For contingent expenses, including communication service, subsistence of shipwrecked persons succored by the Coast Guard; care, transportation, and burial of deceased officers and enlisted men, including those who die in Government hospitals; wharfage; towage, freight; storage; repairs to station apparatus; advertising; surveys; medals; labor; newspapers and periodicals for statistical purposes; and all other necessary expenses which are not included under any other heading, for the fiscal years that follow:

For 1926, $10,000;

For 1927, $20,000;

For repairs to Coast Guard vessels and boats for the fiscal years that follow:

For 1926, $500,000;

For 1927, $143,410;

Total, exclusive of additional vessels, for the fiscal years that follow:

For 1926, $1,929,000;

For 1927, $1,835,457.

Office of the commandant: For additional personal services in the District of Columbia in accordance with "the classification act of 1923," for the fiscal years that follow:

For 1926, $1,650;

For 1927, $6,750.

Damage claims: To pay claims for damages to or losses of privately owned property adjusted and determined by the Treasury Department, under the provisions of the act entitled "An act to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding $1,000 in any one case," approved December 28, 1922, as fully set forth in House Document No. 153, Sixty-ninth Congress, $1,634.96.

The Appropriations Committee advises me that the cost of attempting to enforce the Volstead Act is as follows for the years 1926 and 1927:

1926

Coast Guard:	
Regular act	$10,500,000
This bill	1,932,000
Total	12,432,000
Prohibition Unit	11,000,000
Department of Justice (estimated at one-third of total appropriation for the department)	8,000,000
Total	31,432,000

To this should be added amounts for Customs Service devoted to prohibition activities and other miscellaneous expenses not definitely determinable. These would bring the total to around $32,000,000.

1927	
Coast Guard:	
Regular bill	$12,700,000
This bill—	
New equipment	3,900,000
Operating expenses	1,842,000
Total	18,442,000
Prohibition Unit	10,635,000
Department of Justice (one-third total)	8,000,000
Total	37,077,000

Adding Customs Service expenses and other miscellaneous would bring total to about $37,500,000.

This makes for 1926, $32,000,000; for 1927, $37,500,000. Approximate total for two years, $69,500,000. And there will be more later.

I thank the acting chairman of the committee for these figures of the Coast Guard this year, the appropriation last year, the appropriation for prohibition enforcement this year, and the appropriation for prohibition enforcement last year.

Mr. BYRNS. Will the gentleman yield?

Mr. HILL of Maryland. With pleasure.

Mr. BYRNS. Of course, the gentleman is aware that if such a large increase, as proposed, is made that there ought to be a great many millions of dollars to provide the personnel to man the vessels and the supplies and fuel necessary during the year. Does the gentleman propose to follow this with a subsequent amendment?

Mr. HILL of Maryland. If this is adopted, it has been estimated by the Coast Guard it will cost to run each one of the 1,666 added boats at least $100,000 a year for each boat. So that will make necessary the difference between——

Mr. BYRNS. Let me ask the gentleman who offers the amendment and says he proposed to follow that with an amendment, Is the gentleman sincerely in favor of appropriating $114,000,000 in this deficiency bill in addition——

Mr. HILL of Maryland. I am against all futile waste of money, because it is futile. But, if you appropriate anything, I should be glad to see a proper appropriation made.

Mr. BYRNS. Is the gentleman really for his amendment?

Mr. HILL of Maryland. I am for attempting to enforce all laws. If some laws are unenforcible, they should be repealed or modified; if, however, you propose to appropriate $7,000,000 more for Coast Guard, do it with some degree of common sense I am against throwing good money after bad. If you gentlemen are sincerely for what you call "law enforcement," you will vote for my proposed amendment.

Mr. SPEAKS. Will the gentleman yield?

Mr. HILL of Maryland. I will.

Mr. SPEAKS. I want to inquire why the gentleman thinks it necessary to make such a very large increase of appropriation for Coast Guard purposes in view of Admiral Billard's statement that "there has been a very great diminution of smuggling, notably on the North Atlantic seaboard." He further says:

> I am satisfied that smuggling along the shores of Long Island has been greatly curtailed, and that there is comparatively little at this time. Undoubtedly there is some. Occasionally a launch will get by the Coast Guard line, but I am satisfied that the amount of smuggling there has been greatly reduced.

In view of that statement, why does the gentleman think it is necessary to enlarge the appropriation to such extent?

Mr. HILL of Maryland. I will say to the gentleman I would not have offered it except for the fact that Admiral Billard is asking for this increase of thirty-five 125-foot boats and asking a total of $7,674,491.96, and states:

> The equipment we now have, while it can guard very satisfactorily certain sections of the coast, is not adequate to guard the entire coast.

If we guard part of the coast, why not all?

Now, I desire to ask permission to put in a section of the report of the committee under the heading of "Coast Guard."

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The extract is as follows:

COAST GUARD

The Coast Guard is given the sum of $7,674,491.96, practically all of which is due to the increased and onerous duties which have been placed upon the service in connection with the prevention of the smuggling of liquor and combating the activities of the "rum runner." In 1924 additional vessels and personnel were granted the service to engage in the work on a larger scale than had theretofore been possible with the fleet which the Coast Guard had operated for many years in the discharge of its normal functions. The extent to which the service would have to go in carrying out the new duties devolving upon it could not be foreseen, and vessel and personnel requirements had to be estimated without any previous experience as a guide in coming to a determination of the needs. This experience has now been had, and as a result of it two factors bring this appropriation before the Congress. First, in estimating personnel and other operating expenses for the vessels which were appropriated for in 1924 it has been found that the total personnel was inadequate for the complements which should be provided for the various classes of boats and to maintain a proper reserve of men in training. Second, the activities of the Coast Guard have driven the smuggling vessels farther out from our coast lines and scattered them over a wider area. The vessels heretofore granted, while suitable for the purposes for which they were asked, have proved inadequate in number properly to protect the vast coast line of the United States and have not a cruising radius or seaworthiness sufficient to take them the distances out to sea which are now required. The amounts carried in the bill are divided into three parts—$3,900,000 for the acquisition of additional vessels; $1,842,207 for the maintenance, repair, and operation of these vessels during the portion of the fiscal year 1927 that they will be in commission; and $1,932,284.96 for the fiscal year 1926 to provide for the additional personnel and maintenance expenses of the present fleet.

The $3,900,000 for additional vessels provides $600,000 for the reconditioning and equipment of five 1,000-ton destroyers to be transferred from the Navy Department, $3,150,000 for the acquisition of thirty-five 125-foot offshore patrol boats, and $150,000 for five seaplanes.

The amount of $1,842,207 for operation for the fiscal year 1927 provides for 80 warrant officers and 803 enlisted men and the necessary maintenance and repair funds for operating the vessels above provided for during that portion of the year it will be possible to have them in commission.

Mr. BYRNS. Will the gentleman yield?

Mr. HILL of Maryland. I yield to the gentleman.

Mr. BYRNS. I understand the gentleman's position from his statement as made a moment ago is that in his opinion the $3,900,000 being appropriated here is a waste of money. In other words that it is a useless appropriation.

Now, I understand the gentleman's position to be this, that in support of the Coolidge program for economy he is willing to appropriate $110,000,000 more than is appropriated here for the same purpose for which $3,900,000 is appropriated?

Mr. HILL of Maryland. I am glad the gentleman asked that question, because every appropriation that is made that is inefficient, useless, and not successful is a waste of money. Now, the position I take is that if you are going to appropriate $7,000,000 more for the Coast Guard, let us not do it in a slipshod fashion and——

The CHAIRMAN. The time of the gentleman has expired.

Mr. HILL of Maryland. May I have five additional minutes?

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HILL of Maryland. I take great pleasure in developing the theory on which I have proposed this meritorious amendment. We have in the United States 5,720 miles of seacoast on the Atlantic side. We have 10,740 miles on the Pacific side. That gives us a total coast mileage, exclusive of 8,000 miles in Alaska, of 16,660 miles. I understand the Volstead Act is not violated in Alaska! Now this bill provides for thirty-five 125-foot offshore destroyer boats costing $3,150,000. One of those boats costs $90,000. We have 16,660 miles of coast on the Atlantic and Pacific. Now, one of these boats can only patrol and protect 10 miles on these waters with certainty and therefore 1,666 boats are needed and would cost $149,940,000. My amendment provides 10 per cent of this. Now, gentlemen, I plead with you if we are going to make an honest and sincere attempt to carry out the policy which has been declared by this Congress, do it systematically. Do it in a way that will redound to our glory as business men. I have only two more things to say, and I will conclude. General Wood told the Committee on Military Affairs of this House in 1916 that it would take a million and a half men to hold the line running from Boston south. We really need one boat to each 10 miles. This would cost $149,740,000, but I am only now proposing 10 per cent of this to test your sincerity for "law enforcement." If you vote to increase the appropriation to $14,974,000, we can then go the rest of the way. Of course, there will also be the cost of operating these new boats.

I am dealing to-day with the interior problem only of enforcing the Volstead Act, because Admiral Billard, on page 543 of the hearings, demands an air service and estimates the cost of aircraft to start the progress of aviation at five planes, at $30,000 apiece.

I wish to incorporate in my remarks a very pertinent statement on the subject of prohibition enforcement by the Rev. Sam Small.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to extend his remarks by the inclusion of the statement or article referred to. Is there objection?

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. Yes.

Mr. BANKHEAD. I have always assumed, of course, that the gentleman's nationality is American.

Mr. HILL of Maryland. I have always assumed it, too. [Laughter.]

Mr. BANKHEAD. I think the gentleman to-day is masquerading in the garb of a Greek, because he is bringing gifts here. [Laughter.]

Mr. HILL of Maryland. The gentleman must remember that old classic story from the Gesta Romanorum, to the effect that they found honey in the skull of a dead lion. If I offer you honey, take it, no matter where its comes from. [Laughter.]

Mr. BLACK of Texas. Mr. Chairman, let us have the article read.

Mr. HILL of Maryland. I will ask to have it read in my time.

Mr. MURPHY. How long is it?

Mr. HILL of Maryland. It is brief, considering its value and authority.

Mr. MURPHY. I object to that.

Mr. HILL of Maryland. I hope the gentleman will not object. Here is a statement by an intimate friend and disciple of the gentleman from Georgia [Mr. UPSHAW].

Mr. MURPHY. I suggest that the gentleman put it in the RECORD. Do not read it here.

The CHAIRMAN. Does the gentleman from Maryland withdraw his request for the reading of the article?

Mr. HILL of Maryland. Yes. I ask unanimous consent that it be placed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland.

There was no objection.

Following is the article referred to:

[From the Sun, Baltimore, Sunday, November 29, 1925]

SAM SMALL SAYS PROHIBITION IS GREAT DISAPPOINTMENT—EVANGELIST ADMITS DRY LEADERS REALIZE AMENDMENT WAS ENACTED BEFORE PEOPLE WERE FULLY PREPARED TO ENFORCE IT

(By the Rev. Sam Small, veteran temperance lecturer and evangelist)

WASHINGTON, Nov. 28.—I am not satisfied with national prohibition "as is."

It is not the prohibition that I have publicly contended for during 35 years, from 1885 to 1920.

It is not the prohibition that I have shed my body's blood for on eight occasions during those years.

The present status of prohibition under the eighteenth amendment and the Volstead Act, after over five years of so-called national enforcement, is a bitter disappointment of the faith that led to their enactment.

Fresh from attendance upon the biennial national convention of the Anti-Saloon League of America and from hearing the expressed views of antisaloon leaders, governors and ex-governors of States, Senators and Representatives in the Congress, active officials of the Federal Prohibition Unit, bishops of churches, judges, and prosecuting attorneys, editors of great newspapers, and women of reform organizations, I am deeply impressed by the continuity of the question: "Will prohibition prohibit?"

WHAT IS THE PROBLEM?

The problem as presented now by the prohibition leaders is how to obliterate the traffic in and use of alcoholic intoxicating liquors, "root and branch," as they put it, from the daily business and habits of the American people. All of the advocates of that policy frankly admit that it is one of the largest contracts ever undertaken by a self-determining nation through the agencies of civil government. They hold that the presence of the prohibition amendment in the Constitution of the Republic, affirmed as properly there by the Supreme Court of the Nation, is conclusive evidence that a majority of the people wish that prohibition policy exploited to its fullest limits.

But the holding of this latest "crisis convention" in Chicago this month in advance of the convening of Congress in December was to advertise how far the enforcement of the prohibition law has failed up to date to secure desired effect, to locate responsibility for the failure, and then to propose agreed-upon remedies for the unsatisfactory condition.

TOO EARLY AND TOO EXPANSIVE

Conferences between those concerned in the convention's objectives revealed that some of them are coming to realize that probably national prohibition was brought into law and action before the people were fully prepared to enforce it. One of the outstanding leaders of the cause on the floor of the Congress said so much to this writer at the convention and explained the reasons that have brought him to that conclusion.

The prohibition policy was winning its way by State adoptions in all sections of the Union. Thirty-two States by constitutional amendments or legislative action had provided for state-wide prohibition before the eighteenth amendment was submitted to the States. One other State, Kentucky, adopted the state-wide policy while the amendment was yet pending and unratified.

But there were 15 States, among them those of the largest population, that had not adopted the policy, and some of them had but recently rejected it by large popular majorities. Hence the belief still prevails with many prohibitionists that the blanket national policy was applied too soon. The answer of the more ardent prohibitionists is to point to the ratification of the amendment by the legislatures of 45 of the 48 States within the short period of 13 months. Also that among the ratifying States were the largest in population, such as New York, Pennsylvania, Ohio, and Illinois. Only New Jersey, Connecticut, and Rhode Island failed to ratify, and New Jersey has since done so. It is upon that record that radical prohibitionists stand and, with the difficulty of amending the Federal Constitution back of them, declare with every sense of certainty that the amendment will not be repealed within any calculable time.

TOO INTENSIVE POLICY

I have found some most sincere believers in the prohibition policy who yet think the steps taken by the antisaloon people in framing the amendment and in legislating to enforce it were beyond the original objectives for which the league was formed and supported.

The name "Anti-Saloon League" was clearly indicative of the work it was organized to accomplish. That was to suppress the legalized, licensed dramshop. It was generally denounced as the source of drink evils and the generator of crime, poverty, and a host of social evils. It was constantly in the public eye and its products constantly in the courts, the prisons, and the poorhouses.

For over a hundred years of our national history legislative skill and social wisdom had been taxed to find safe and tolerable restrictions that could be imposed on those institutions, and without satisfaction. Promoting, multiplying, and magnetizing saloons became the joint enterprise of liquor profiteers and liquor politicians. They jeered at every sentiment of national sobriety and bludgeoned every demand for social safety and decency. To save their existence and business they fought the antisaloon proposition with every weapon and bitterness, and eventually forced the religious and temperance people to fight for drastic national prohibition.

INSTANCES OF LIQUOR FOLLY

The earliest proposals to amend the Federal Constitution and establish a national prohibition policy—such as those by Blair, Plumb, Ballon, and others in the seventies and eighties—dealt almost exclusively with ardent spirits, with distilled liquors, native and foreign, and would not have affected fermented beverages of ordinary type. The movements of that day aimed at "hard liquors." Indeed, they were then disposed to agree with the earlier view of Thomas Jefferson that mild brews would be a panacea against fiery liquors. But the friends of the liquor trade fought those propositions with as much vehement bitterness as they now do the Volstead Act itself.

It should be remembered that when Congressman Richmond Pearson Hobson presented his famous prohibition amendment in 1914 he was hilariously ridiculed in and outside of Congress by publicists and press for restricting prohibition to the "sale" phases of the liquor traffic. The wording of his proposed amendment was:

"The sale, manufacture for sale, transportation for sale, importation for sale of intoxicating liquors for beverage purposes in the United States and all territory subject to the jurisdiction thereof, and exportation thereof, are forever prohibited."

Such eminent opponents as Congressmen Mann, Underwood, Henry, Gallivan, Carlin, and a score of others derided the repetitions "for sale" in the resolution and declared there could be no genuine prohibition upon those terms; that it really would set up a "free liquor" régime, because it would leave everyone free to distill and brew his own liquors, and that under this Hobson plan there would be universal drunkenness without regulations or restraints.

WHAT HOBSON PLEDGED

In reply to the savage attacks made upon his proposition Congressman Hobson replied that he and those whom he represented did not believe the Federal Government should be empowered to go further than to control and prohibit "the commercial features of the liquor traffic." "The people have the right," he said, "to determine what manner of manufacturers and commerce they will permit within the Nation, but there are ancient and unalienable nature rights which they may not deny and prohibit."

When he was challenged to name those indefensible rights Hobson said:

"The object of forbidding the sale is to avoid even a suspicion of any desire to impose sumptuary legislation upon the American people or to invade the rights of the individual and the home."

On the floor of the House of Representatives he again declared:

"I want my colleagues to understand from the start, and so far as we can have them the American people, that there is no desire, no intent on the part of this resolution, to invade either the individual rights of inherent liberties of the citizen or to climb over the wall that civilization—particularly the Anglo-Saxon civilization—has built around the home."

Because it was pronounced "a free whisky measure" the Hobson resolution failed to carry in Congress. It was the tenor of the criticisms launched against it that forced the prohibitionists to frame the Sheppard-Webb amendment in the comprehensive terms it now carries in the Constitution.

Those are the facts of history which explain why the Anti-Saloon League changed its plan of campaign from a crusade against the saloon to a drive against every phase of legalized beverage liquor commerce.

This writer, as one of the headline speakers of the amendment campaign, made thousands of speeches in churches and to other assemblies, repeating everywhere the assurances contained in the quotations from Hobson. All of us strenuously combated the charge that we sought to deny the individual citizen his right to have and drink what he pleased; we only denied that any man had an inalienable right to run a barroom and conduct a commercial manufactory of drunkards. Such was our main argument, and with it we won millions of voters to support the proposition of decommercializing the drink traffic.

THE PREDICTED RESULTS

On the other hand, the opponents of national prohibition predicted that our success would remove all regulatory restrictions upon the traffic, that moonshining, bootlegging, and smuggling would be enormously increased, and that the transfer of police power from the States to the Federal Government would tremendously increase the mechanism and expense of enforcing all antiliquor laws.

All those predictions, at which we hooted, have come true. The convention at Chicago was a great wholesale complaint against just those evil results.

No one present there ventured to deny that moonshine stills and bootleggers cover the country as the locusts did the land of Egypt. While most of the States have adopted enforcement acts in concurrence with the Volstead Act, nevertheless the authorities in charge of them have almost wholly looked to the Federal officers to detect, chase, capture, and convict the violators of the law.

When that condition was forecast in the debates over the amendment in Congress the reply of its friends was that the States, to prevent being overrun by Federal foreign spies, snoopers, and enforcement officers sent out from Washington, would be foremost in the use of their own officers and in securing to themselves the fines, forfeitures, and convictions from prohibition enforcement.

But all those local benefits have not been experienced. On the contrary, the Federal forces have been planted all over the country and have sought, for either honest or dishonest purposes, to take entire charge of prohibition enforcement. The consequence has not only been a flood of official scandals, evidences of corruption, instances of unwarranted outrages upon private rights, but the demonstration that the Volstead Act is practically unenforceable in its present terms with all the machinery possible for the Federal Government to employ. Hence, the silly demands we hear for more drastic legislation and the use of the armed forces of the Nation.

100 PER CENT PROHIBITIONIST

I am a 100 per cent prohibitionist. I was wholeheartedly in the fight years before the present leaders got actively into it—even before some of them were born and eight years before the Anti-Saloon League was founded by Dr. Howard Hyde Russell in Ohio. No man can discount or deny my devotion to the cause and I want now what I have wanted for those 40 years. That is the abolition of the liquor saloon, and in nearly all the States that is now accomplished. Secondly, the suppression of the manufacture and transportation and importation of intoxicating liquors for beverage purposes.

Those two objectives constitute the heart and lungs of the eighteenth amendment. Unfortunately, in my judgment, the Anti-Saloon Leaguers have gone far beyond those original objectives and have used their influence to enact laws that are designed to control every act relating to liquor, however private, personal, and even permissible under the terms of the law.

DIFFERENCE OF TWO WORDS

When the eighteenth amendment was being framed it was strenuously urged to use in it the words "alcoholic liquors" rather than "intoxicating liquors," but on the committees of Congress who handled the amendment there were able lawyers and ex-judges who saw both the injustice and the futility of attempting to outlaw every kind of liquor that contained any percentage of alcohol. They said in plain speech that the chief purpose in setting up national prohibition was and is to delegalize the making of and commerce in liquors that are generally and necessarily "intoxicating."

In other words, at that time the whole avowed purpose of those who were promoting the amendment was to put a rational stamp of illegality upon liquors of any kind that are actually "intoxicating." It was acknowledged that whether any particular liquor is classifiable as "intoxicating liquor" is a question of fact, dependable upon convincing proof, and is not a matter of opinion—not whether Wayne Wheeler or Sam Small or any other person thinks it is "intoxicating." It is an issue to be determined by expert definition, by cumulative human experience, and by the testimonies coming from courts and corrective institutions.

LIGHT BEER ISSUE

For instance, the issue has been presented in the House of Representatives by the introduction of 58 separate bills to legalize the manufacture and sale of 2.75 per cent beer in such States as may elect to have it, on the ground that such beer is not an "intoxicating liquor."

The proponents of those bills say such beer is not "intoxicating" in fact and therefore should not be included in the prohibition of the eighteenth amendment. The opponents of those bills contend that such beer is "intoxicating." But who knows positively, irrefutably, whether it is so or not?

I have, for five years, sought every available authority and evidence on that question—and yet I do not know whether or not 2.75 per cent beer is necessarily and invariably "intoxicating." But I want to know the truth about it and am ready to welcome any investigation that will get that truth and establish it incontestably.

THE VOLSTEAD DICTUM

I find all over the country men who are as pronounced prohibitionists as myself who are anxious to have that question finally settled. They, like myself, do not believe that the Volstead standard that any liquor with more than one-half of 1 per cent alcohol content must be accounted "intoxicating" is either true or reasonable. It is the insertion of that drastic and irreducible minimum of alcohol content that has caused millions of men in America to pronounce the standard a "palpable lie on its face" and to resist, or condone those who do resist, such a definition of an "intoxicating liquor."

The answer of the Anti-Saloon Leaguers and dry legislators is that "the law does not say that any liquor with more than one-half of 1 per cent of alcohol is in fact intoxicating," but they hold that there must be a base line of alcoholic content from which to project enforcement, and that one-half per cent alcohol content has been found in State experience to be the most ascertainable and feasible standard for enforcement purposes.

The reply made to that is the double one that while one-half per cent may be feasible for taxation it is not indubitable for intoxication, and, second, what a State establishes as a standard for itself is not to be generally accepted as an incontestable standard.

WHAT IS THE WAY OUT?

There were men who have been long in Anti-Saloon League service and are yet, but who will not consent to be personally quoted and so "get in bad" with their league leaders, who are puzzling over "the way out" of the present conditions of law defiance, official dereliction and corruptions, and the broken hopes of those who brought prohibition into the national policy. Incidental benefits to individuals, families, industries, and morals they publish and emphasize, but the criminal increases, the perjuries, murderers, moral poisoning of officials, judicial truculencies, and social demoralizations they do not attempt to deny and deplore.

Unless I have utterly lost all my half-century experiences as a newspaper man and evangelist in gauging public sentiment, I can say with surety that the discontented public, whether for or against prohibition per se, is anxious to have a thorough and honest investigation of the present status of prohibition and how to make it enforcible and satisfying.

Congress and the friends of the eighteenth amendment should cease to camouflage actual conditions and face them frankly and fearlessly, seeking and applying whatever solution may be found rational and constitutional.

LINE OF APPROACH

This question of why prohibition is not being effectively enforced is the most universal and acute issue being discussed by our American people and press. It is up to Congress to find out the answer and legislate upon the facts to the satisfaction of the people.

Congress and the people know that both personal and partisan politics have honeycombed and rotted the national enforcement service from the hour that the Prohibition Unit was formed in the Treasury Department after the enactment of the Volstead law. I have inquired into the operations of the unit in more than 20 States and found in all of them the agreement that lax enforcement and immunities for lawbreakers are almost wholly out of the power of politicians to nominate and control the enforcement officials. This is capable of irrefutable proof—but will Congress dare to bring it to the surface and cure the corrupting evil by divorcing prohibition enforcement from all political control? I doubt it.

Another thing that persons who want practical prohibition, and whose jobs, personal or political, are not dependent upon the Anti-Saloon League, would ask of Congress is a full and comprehensive investigation of the 2.75 beer proposition. What they want Congress to find out definitely and finally is whether that sort of beer is or is not "intoxicating" and deal with the subject accordingly.

SCOFFS LEAGUE'S CHARGE

In plain words:

If such beer is intoxicating, keep it under the amendment ban.

If it is not intoxicating, let those States have it that want it, but rigidly prohibit them from exporting it into other States that do not want it.

The charge by the Anti-Saloon Leaguers that such action would be "a surrender to the outlaws" is pluperfect poppycock. The demand for a decision of this widely mooted question is not influenced by what brewers, beersuckers, bootleggers, or booze politicians want. Their outcries are negligible and, taken en bloc, would get no attention or response from any type of prohibitionists. Certainly they do not affect me.

The demand comes, in fact, from those who want that truthful and reasonable legislation that will make prohibition appeal to the honesty, loyalty, and law-abiding spirit of the commonality of our American citizens. Until we can get that popular reaction, prohibition will be a delusion and a failure.

URGED THAT MARYLAND BE DRIVEN FROM UNION

Twice in recent years has the Rev. Dr. Samuel White Small attacked the "sinfulness" of Maryland for failing to follow the lead of other Commonwealths in the passage of legislation to back up the Volstead Act.

At the International Conference on Christian Citizenship, held at Winona Lake, Ind., in 1923, Doctor Small introduced resolutions, which were passed, urging that Maryland and New York be denied the right of representation in Congress until they had passed State prohibition enforcement laws.

In an address at the convention of the American Anti-Saloon League at Chicago early this month he was even more vehement in his utterances on this topic, according to newspaper reports of the proceedings. He accused Maryland and New York of "aiding and abetting anarchy," and charged that both States were "working under the shadow of treason," and that "Congress should read them out of the Union."

EVANGELIST NOW 75 YEARS OLD

Doctor Small was born in Knoxville, Tenn., July 3, 1851. He received his A. B. and A. M. degrees at Emory and Henry College, the latter in 1887. He was given the Ph. D. degree at Taylor University, Upland, Ind., in 1894, and the same year was accorded the degree of doctor of divinity at the Ohio Northern University.

Sam Small's first occupation was as a stenographer and newspaper reporter. He later became secretary to Ex-President Andrew Johnson during his post-Presidential campaigns. He was also official reporter of the Georgia Constitutional Convention in 1877 and secretary to the American commission to the Paris Exposition in 1878.

From then until the time he entered actively into evangelistic work at Atlanta, Ga., September 15, 1885, Doctor Small had been variously a committee reporter in the United States Senate, founder of the Norfolk Daily Pilot and the Daily Oklahoman, Oklahoma City. He went to Cuba as chaplain of the Third United States Volunteer Engineers in the Spanish-American War.

ONCE SERVED WITH SAM JONES

He is a member of the National Reform Association, the Anti-Saloon League of America, the United Spanish War Veterans, the Masonic fraternity, Odd Fellows, Knights of Pythias, and Red Men. He has also written several books, one of which was A Plea for Prohibition.

Doctor Small first gained national prominence as an evangelist in his association with the late Rev. Sam Jones, by whom he was converted. The pair toured the country about 40 or 45 years ago and had large meetings wherever they went. Later Doctor Small started out as an evangelist on his own account, and there seems to have been a period when he "fell from grace." He was reconverted in a great revival meeting held in Atlanta on May 23, 1906, and since then has devoted much of his activities in the furtherance of prohibition.

Mr. HILL of Maryland. Mr. Chairman, I would like to thank the committee for its courtesy and helpful suggestions on this great question. [Applause.]

Mr. HERSEY. Mr. Chairman, will the gentleman yield?

Mr. HILL of Maryland. Yes; I yield with pleasure to my friend from Maine.

Mr. HERSEY. I did not exactly understand the gentleman's position. His position, as I understand, is that he is in favor of a large enforcement fund, larger than the committee recommends, for the enforcement of the Volstead law. Now if we should get 2.75 per cent beer, would not that solve the whole question?

Mr. HILL of Maryland. I am glad the gentleman asked that question. I have a great affection for the gentleman, and I have a great affection also for the gentleman's State. When the gentleman from Maine [Mr. HERSEY] was still a young man my uncle, John Boynton Hill, was Speaker pro tempore of the Maine Legislature, and he participated in that regrettable Neal Dow prohibition legislation in Maine. He later regretted it exceedingly, and abjured prohibition before he died. I hope that answers the gentleman's question. [Laughter.]

Mr. HERSEY. It is no answer at all. [Laughter.]

Mr. HILL of Maryland. My proposed amendment has nothing at all to do with the merits or demerits of the Volstead Act. My amendment solely deals with what is known as "law enforcement," meaning thereby enforcement of the Volstead Act.

The Coast Guard asks for 35 more 125-foot patrol boats costing about $90,000 each.

PATROL BOATS

The CHAIRMAN. How do you estimate the cost of these patrol boats?

Admiral BILLARD. As I have told the committee, we have built and are building 13 of this same general type of boat, 100 feet long, upon the Lakes. The total cost of building and equipping those boats is slightly over $80,000 apiece. These boats we want to make a little longer. As a matter of fact, I do not believe that we can build a boat 125 feet long for $90,000, but we can probably build one 110 or 115 feet long.

Captain NEWMAN. The speed of these boats is 11.2 knots. That is something over 12 miles.

The CHAIRMAN. They are not very speedy, then?

Admiral BILLARD. No; but they have a large steaming radius and ability to go way offshore.

The CHAIRMAN. How many men would they carry?

Admiral BILLARD. A crew of two warrant officers and nine enlisted men.

The CHAIRMAN. What is the motive power?

Admiral BILLARD. Diesel engines.

The CHAIRMAN. They will run economically?

Admiral BILLARD. Yes, sir.

Thirty-five added boats admittedly will not accomplish the desires of Admiral Billard. The Coast Guard will soon be back for more boats, and then for more airplanes.

We have, on the Atlantic and Pacific coasts, 16,660 miles of seacoast open to the rum runners. One boat for each 10 miles would mean stopping smuggling, though, of course, smuggled liquor is only about 1 per cent of the illegal supply. One boat to every 10 miles would mean 1,666 boats. One thousand six hundred and six-six boats at $90,000 each would cost $149,940,000, exclusive of cost of operation. I am only asking now by my proposed amendment for 10 per cent of that sum. If you vote for that and show your sincerity for "law enforcement," we can then add the other 90 per cent of the cost of the boats and get, at least, a real attempt to enforce the Volstead Act. No matter what your views may be on prohibition; no matter whether you are a "wet" or a "dry," here is a chance to vote for real enforcement of the Volstead Act, if anything can enforce it, which I very much doubt. [Applause.]

Mr. SABATH. Mr. Chairman and gentlemen, if I believed that the additional appropriation asked for in the amendment of the gentleman from Maryland [Mr. HILL] would bring about the enforcement and compliance of the prohibition act I would gladly support it. But I am satisfied that it can not and will not effectively do so, and for that reason I am opposed to it. I am willing to give to the department all the money they ask for, but I am not ready and willing to give them five times as much as I believe they can uselessly spend, as they have been doing for several years.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. HILL of Maryland. Would my colleague be in favor of guarding each 10 miles of coast?

Mr. SABATH. Even with this sum you would not stop the smuggling that is going on, and for that reason I think it would be an unwise expenditure of money and placing an additional burden upon the taxpayers of this country.

Years ago I made the statement on this floor, when the gentlemen from Georgia and Michigan, Kentucky, and others assured the House that $1,000,000 or $2,000,000 would enable them to bring about the enforcement of the Volstead Act. I then stated that it was impossible. I pride myself on knowing the American people, and I know that neither the Volstead Act nor any other similar obnoxious law can be enforced, it matters not how much money you spend, and it is for that reason that I am not in favor of continuing to waste annually millions of dollars of the people's money.

Mr. Chairman and gentlemen, I have not said a word on the question of prohibition for some time. I have voted, as the gentleman from Georgia [Mr. UPSHAW] knows, for all of the appropriations. I was willing that we should try it in an endeavor to bring about enforcement, if it was possible, at the same time being satisfied that if strong, honest efforts were made and it could not be enforced, that the people would demand its repeal. Not only I share this viewpoint but thousands upon thousands of honest men and honest women who are not blinded by prejudice, men and women in this country, hundreds of prominent organizations, doctors, lawyers, men from all walks of life recognize the condition that now exists and are coming to the conclusion that the law can not be enforced, as the law instead of being beneficial is detrimental to the welfare of this Nation. Therefore I feel that it is high time that sensible men from every section of the country should realize that fact. I feel that most of you gentlemen are sensible men, men of standing, and a majority of you are men of courage; and I can not see for the life of me why you can not commence to realize the intolerable conditions that to-day exist. Perhaps you have not the time to investigate and examine the conditions; but we have evidence from men of standing, men of reputation, men who believe in temperance and are sincere advocates of temperance, who from day to day report to their organizations and make statements, that prohibition has failed, that it can not be enforced, and that modification is absolutely necessary.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SABATH. May I have five minutes more? I may not use it all.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SABATH. They, after a careful investigation, tell you that the Volstead Act can not be enforced, and they make recommendations of what they believe would be wholesome and beneficial, that would save thousands upon thousands of young girls and young men of America.

Mr. MURPHY. Mr. Chairman, will the gentleman yield there?

Mr. SABATH. Yes; for a question.

Mr. MURPHY. I challenge the gentleman's statement that he makes, that our young girls are any worse to-day than they ever were. That statement has been made by men of your type so many times that I am tired of hearing it. The girl of to-day is as good as she ever was. If she happens to go wrong she is unfortunate, and it is not because of conditions as they are.

Mr. SABATH. As to that, I will say that my reputation is just as good as that of the gentleman to whom I yielded, and I am often as provoked and nearly as much excited as he is when I read these reports about the flask parties in our colleges, schools, and universities. Nor have I stated that they are bad. I have stated that I believe the modification of the Volstead Act would save thousands of our young people who now consider it smart to secure and carry a flask to parties, and openly are showing off by drinking high per cent alcohol containing partly distilled, yes, in many instances poisonous stuff, not only they but I believe the majority of men and women who never have taken any hard liquor do so, as resentment against a law which deprives them of their personal liberty, a right and privilege which every true American citizen cherishes and believes in. Why, Mr. Chairman, I know of hundreds, yes, thousands, of American homes that before the advent of the prohibition act would not allow any alcoholic beverages in their home, but who are now serving cocktails, gin, and other strong alcoholic drinks, and what I have observed a majority of you have, and you know it is true, but you dislike to admit it, hoping against hope that the increased use of this kind of dope may be some day arrested. But I say, no; it can not be done; it matters not whether the entire Army and Navy be utilized to enforce this obnoxious law.

Reliable men and women after a thorough investigation reported that there are hundreds of thousands of homes from the highest to the lowest where alcoholic beverages are being concocted which are not only harmful but poisonous. Now, I know whereof I speak, and I am not speaking only from the investigations and things I have seen myself; I am stating and giving to the House the information that has been broadcasted within the last six months. Doctor Empringham, at one time superintendent of the Antisaloon League of New York, recently stated before a meeting of the Episcopal clergy of New York that prohibition had increased drinking among young people, discouraged the consumption of wine and beer, and increased the demand for distilled liquors, which to-day are mostly poisonous. But a week ago Mrs. Angela Kaufman, founder and president of the International Narcotic Crusade, made this statement:

> I hate to admit it, prohibition has increased the use of narcotics more than any other one thing in the country.

Now comes the statement from one of the leaders of the Big Brothers and Big Sisters' Federation, Mrs. Sidney C. Borg, of New York:

> When the law was first enacted I was strongly in favor of it, but since I have seen how it has broken down the morale of the young my opinion has changed. I have found the moral standards of the youth with whom I have come into contact have declined because of it. There is open defiance of it among the young people on every hand.

I believe that by a modification of the Volstead Act permitting the sale or the manufacture of a beer of about 3 per cent and light wines that we will eliminate the evils that now exist.

Mr. HUDSON and Mr. BARKLEY rose.

The CHAIRMAN. Does the gentleman yield; and if so, to whom?

Mr. SABATH. I will yield to the gentleman from Michigan.

Mr. HUDSON. I would like to have the gentleman explain to me what the alcoholic content of light wines would be.

Mr. SABATH. Well, I will say to the gentleman that I am not an expert on wine. But I know that an alcoholic content of about 3½ or 4 per cent in beer makes a good, palatable, and wholesome drink, and is not intoxicating.

Mr. HUDSON. The gentleman was speaking about light wines.

Mr. SABATH. And I believe that if we were to permit the manufacture and sale of that kind of a beverage the people will not demand the harder drinks, which contain 75 or 80 per cent alcohol. I will now yield to the gentleman from Kentucky.

Mr. BARKLEY. I was wondering whether when the gentleman refers to light wines he means light in content or light in color.

Mr. SABATH. Light in content; but, of course, the color in itself would not make much difference to anyone; the gentleman might know this. [Laughter.]

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. SABATH. Mr. Chairman, I ask unanimous consent to proceed for another five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for an additional five minutes. Is there objection?

There was no objection.

Mr. SCHAFER. Will the gentleman yield to me?

Mr. SABATH. I yield to the gentleman.

Mr. SCHAFER. Did not the sovereign voters of the great State of Illinois several years ago, in a referendum vote, indicate by an exceedingly large majority that those voters were in favor of the modification of the Volstead Act by permitting the manufacture and sale of light beer and wine?

Mr. SABATH. Yes; they did that by a vote of about 4 to 1, and I think if a vote were to be taken to-day it would be 10 to 1; not only in my State, but I believe that in a majority of the States the result would be the same as in Illinois.

Mr. HUDSON. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. HUDSON. What was the percentage of that vote to the total vote in the State of Illinois?

Mr. SABATH. I think the vote that was cast was about 60 per cent.

Mr. HUDSON. No; it was less than 25 per cent, was it not?

Mr. SABATH. No; the gentleman is mistaken.

Mr. MURPHY. Will the gentleman yield?

Mr. SABATH. I will yield for a question, but not for a tirade and play to the gallery.

Mr. MURPHY. The gentleman has just answered the gentleman from Wisconsin [Mr. SCHAFER] and given figures as to the vote in Illinois. If conditions are as the gentleman says they are, and considering the orderly manner in which this law was put into the Constitution, could not the same orderly method be used, if conditions are as the gentleman states them to be, in taking it out of the Constitution? If conditions are as the gentleman says they are, why does he not start a movement in each and every one of the States to take it out of the Constitution?

Mr. SABATH. Oh, Congress must act first; the States can not act first; Congress would have to pass a resolution first, if I am not mistaken, and I do not think the House is ready to act now. But what I believe is this, and I am bringing this to the attention of the House, hoping it will receive that con-

sideration to which it is entitled. I firmly believe that if the House, in an orderly way, would amend the Volstead Act which it has the power to do, that we would eliminate a great deal of the evil which now exists.

Mr. UPSHAW. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman.

Mr. UPSHAW. The gentleman said that a movement like that must begin in Congress, a repeal of the eighteenth amendment. Does the gentleman believe Congress would ever have acted on the eighteenth amendment if there had not been a ground swell from great and dry America which brought it on?

Mr. SABATH. Oh, the gentleman knows as well as I know how that amendment or the resolution was brought in; how it was forced through the House, and how little the people of America knew what was transpiring, or how far-reaching the act would be under the amendment.

Mr. UPSHAW. Will the gentleman yield further?

Mr. SABATH. I yield to the gentleman.

Mr. UPSHAW. I want to ask the gentleman if there was not as much agitation, as much referendum, and as much general national attention given to the eighteenth amendment when we were bringing it to the Congress, as there was with regard to the sixteenth, seventeenth, or nineteenth amendments.

Mr. SABATH. The gentleman knows that the eighteenth amendment was passed during the war hysteria.

Mr. HILL of Maryland. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman from Maryland will state it.

Mr. HILL of Maryland. In great deference I suggest that we are not discussing prohibition but a question as to how many boats we need to each square mile of territory along the coasts. There is nothing in this about prohibition. This is ordinary law enforcement.

Mr. SABATH. The gentleman from Georgia knows that the American people did not know anything about the resolution to amend the Constitution; that there was very little publicity; and that they had no expectation the Congress would act at that time.

Mr. BLANTON. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BLANTON. Mr. Chairman, I ask that the gentleman have one more minute. I want to ask the gentleman a question. I ask unanimous consent that the gentleman may have two additional minutes.

Mr. ANTHONY. Mr. Chairman, reserving the right to object, I am not going to object to the request for this additional time, but I hope the gentlemen will finish the debate on this general subject and let us get on with the bill.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the time of the gentleman from Illinois be extended two minutes. Is there objection?

There was no objection.

Mr. BLANTON. Now, will the gentleman yield?

Mr. SABATH. I yield to the gentleman.

Mr. BLANTON. I want to ask the gentleman from Illinois if this is not the fact: When the Congress submitted this amendment to the States, 45 out of 48 States of this Union promptly ratified it?

Mr. SABATH. The legislatures of 45 of the States.

Mr. BLANTON. Yes; the legislatures, who are the direct representatives of the people.

Mr. SABATH. Yes; but the American people did not do so. They did not secure an opportunity to vote on the proposition and the gentleman knows this. If the gentleman believes in referendum and if he believes that the American people should have a voice in such an important matter, why not give them the opportunity and the right to vote on it? I am ready and I am willing to abide by the vote of a majority of the American people on this or any other proposition that is of such great importance to the Nation. [Applause.]

Mr. BARKLEY, Mr. CRISP, and Mr. SUMMERS of Washington rose.

Mr. SABATH. Give me a little more time and I will yield to all of you gentlemen.

Mr. SUMMERS of Washington. Does the gentleman want to submit the other 18 amendments to a vote of the people? They have never come before the people any more than this one. Would the gentleman want to submit all of them in that way?

Mr. SABATH. Well, they are not in question to-day, but the eighteenth amendment is. [Laughter and applause.]

Mr. CRISP. Will the gentleman yield?

Mr. SABATH. I yield.

Mr. CRISP. I would like to ask the gentleman if his State feels on this question as he represents it to feel, why not let his State petition the Congress to amend the Constitution by eliminating the eighteenth amendment. The gentleman is inaccurate when he says that Congress alone has the power to initiate proposed amendments to the Constitution.

Mr. SABATH. But nothing can be done without an act of Congress; is not that right?

Mr. CRISP. No.

Mr. SABATH. They can petition.

Mr. CRISP. The Constitution can be amended by Congress by a two-thirds vote or upon petition by the legislatures of two-thirds of the States of the Union.

Mr. SABATH. The gentleman's own statement bears me out in what I have stated and therefore he himself was inaccurate and not I. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. MURPHY. Mr. Chairman and gentlemen, I have no desire to take up your time in an endeavor to make what you might term a dry speech. I have great admiration for the gentleman who has just left the floor, Mr. SABATH, of Chicago. I could not sit here and let his statement go unchallenged. I could not help it.

Those who are advocating the nullification of the eighteenth amendment have been flaunting the charge publicly everywhere that the children of America are being debauched by reason of the eighteenth amendment to the Constitution of the United States, and I have taken the floor just for the purpose of challenging that statement and of saying that the motherhood of this country is being maligned as it was never maligned before by that contemptible kind of villification—that our young girlhood and womanhood is not as clean, wholesome, and sweet as it was in the days of our mothers. [Applause.] Of all the contemptible arguments that have been put forth to try to justify the changing of this law, that of all is the lowest down. There is no place in hell quite deep enough for it. [Applause.]

Talk about law enforcement! My friend the gentleman from Maryland, who constantly advocates nullification of the Constitution and the return of legalized liquor traffic, is truly representing his district and State. He lives on that politically. His habits are the habits of a gentleman—I am speaking personally now—but he comes to this floor and advocates that which has debauched from the very beginning to the present day the manhood of this great land. [Applause.]

Mr. HILL of Maryland. Will the gentleman yield?

Mr. MURPHY. Yes; I yield, gladly.

Mr. HILL of Maryland. I am advocating only an increase in this appropriation from $3,000,000 to $14,000,000 for law enforcement.

Mr. MURPHY. The gentleman is not sincere and never was sincere in his argument for his side of this question. [Applause.]

Mr. HILL of Maryland. I do not think gentlemen who vote against it are sincere. Admiral Billard says he needs one boat for every 10 miles along the Atlantic and Pacific coasts, and you are only giving him 35 boats when he says he needs 1,665. If you are sincere, you will vote for this amendment.

Mr. MURPHY. The time has come when men like you in this country should not say the time has come for law enforcement, but the time is here when decent men should observe the law. [Applause.]

That time will come to you gentlemen who are in favor of nullifying the Constitution of the United States. The eighteenth amendment was not put there in a day, and some of you folks who are anxious to debauch the manhood of our country seem to forget that it took 60 years to get the eighteenth amendment placed in the Constitution. It was not put there overnight, it was not slipped in as you so often say "while the boys were over there." [Applause.] Why men, we live in the most prosperous country that God's sun shines upon.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MURPHY. I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MURPHY. What has made us prosperous? Why, any thinking man knows the thing that has made us prosperous is because the man who toils with his hands is not spending his surplus for alcohol, but is buying homes and autos for the enjoyment of his entire family—thus giving work to builders of every craft. [Applause.]

Mr. SOMERS of New York. Will the gentleman yield?

Mr. MURPHY. Yes.

Mr. SOMERS of New York. Did the war have anything to do with that prosperity?

Mr. MURPHY. A little bit; yes.

Mr. SCHAFER. Will the gentleman yield?

Mr. MURPHY. I will yield to the gentleman.

Mr. SCHAFER. Did not the American Federation of Labor come out in favor of a modification of the Volstead Act?

Mr. MURPHY. No; I deny that statement. One great labor organization to-day, I think in the current issue published in their paper, says that they are against the modification of the Volstead law. I refer you to the enginemen who operate the locomotives that pull you through the country in safety while you sleep.

Mr. SCHAFER. I have the honor of belonging to a labor organization, the Railroad Brotherhood. I asked if the American Federation of Labor has not gone on record in favor of a modification of the Volstead Act.

Mr. MURPHY. But, thank God, the Federation of Labor does not represent all the people of America. [Applause.]

Mr. UPSHAW. William Green is dry.

Mr. MURPHY. Yes, and he is from my State.

Mr. LEAVITT. Will the gentleman yield?

Mr. MURPHY. I yield.

Mr. LEAVITT. Is it not true that Secretary Hoover has said that one cause of the prosperity of the Nation has been prohibition?

Mr. MURPHY. Absolutely. I tell you I know what I am talking about from personal experience. I came up from the street to my seat in this House where I can look you gentlemen in the eye and talk to you about the chances that can come to an American if he leaves this damnable stuff alone. [Applause.] Gentlemen talk about labor unions; I belong to a labor union and have a union card.

Mr. SOSNOWSKI. Will the gentleman yield?

Mr. MURPHY. Yes.

Mr. SOSNOWSKI. Is it not true that the Rev. Dr. James Empringham of the Episcopal Church convention indorses a modification of the Volstead Act?

Mr. MURPHY. I have no quarrel with any denomination, but I want to say to you that the record does not show anywhere who that gentleman is. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. MURPHY. Yes.

Mr. BLANTON. And it does not represent the sentiment of our colleagues in this House.

Mr. MURPHY. It does not.

Mr. SPEAKS. Will the gentleman yield?

Mr. MURPHY. I will.

Mr. SPEAKS. I hold in my hand a copy of the Columbus (Ohio) Evening Dispatch, across the entire top of the front page of which are these glaring headlines, which, with the statement following, will answer the gentleman from Michigan [Mr. SOSNOWSKI]:

Bishop Reese repudiates temperance report; charges not recognized as from church. Doctor Sweet, Episcopalian minister also upholds the law. Columbus Episcopal Church leader points to prohibition's successes.

The article says:

Episcopal Church leaders in Columbus, Thursday, refused to consider seriously the charges of inequality in the administration of the Volstead Act and flagrant violation as brought by Rev. Dr. James Empringham, national secretary of the Church Temperance Society, in his purported survey of conditions throughout the country.

That it was the expression of a voluntary organization and can not in any sense be considered an official voice of the church was emphasized by Bishop T. I. Reese of the Episcopal Church; Rev. S. E. Sweet, rector of St. Paul's Episcopal Church; and Rev. B. H. Reinheimer, executive secretary of the Episcopal diocese of Southern Ohio.

The Church Temperance Society, Bishop Reese explained, was a purely voluntary organization, formed long before the enactment of the eighteenth amendment, and is classified in church directories under the heading of "Organizations for social amelioration and advance." Its membership list is very small, it is said, the organization having experienced a dwindling of power since prohibition, as its main objectve in the promulgation of its work was the teaching of temperance in opposition to the stand of the Anti-Saloon League for complete prohibition.

REPUDIATES SOCIETY

Reverend Reinheimer estimated the society's membership at approximately 5,000. It is not believed that there is any branch of the organization or members in this city or in Ohio.

Bishop Reese refuses to become embroiled in the generalities of Reverend Empringham's findings, declaring that it did not have the imprimatur of the church and did not reflect the church's stand or the majority of its members.

"I believe in the enforcement of the Volstead law," Bishop Reese declared, "and I practice it, largely as a means toward training future citizens."

Following this statement by Bishop Reese is set forth the views of Right Rev. Charles P. Anderson, of the Chicago diocese:

CHICAGO, February 4.—The attitude of the Church Temperance Society in seeking modification of the national prohibition law is not reflected in the Episcopal Church in Chicago and surroundings, in the belief of the Right Rev. Charles P. Anderson, bishop of the Chicago diocese.

"The Church Temperance Society of the Episcopal Church is one of only small membership, and has no official connection with the church," Bishop Anderson said.

"I am not acquainted with the Rev. Dr. James Empringham, its superintendent, and to my knowledge there are no members of that society in Chicago."

Mr. MURPHY. Thank God for Ohio. [Applause.] Now, my friend from Illinois told you how they voted in Illinois. Let me tell you how Ohio voted when they had a chance to express how they felt. They voted 190,000 majority for a sober Ohio and America. That is the kind of people we have in Ohio, who believe in the Constitution of the United States.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MURPHY. Mr. Chairman, may I have five minutes more?

Mr. KNUTSON. Reserving the right to object——

Mr. MURPHY. You wet gentlemen have had days and days to talk about this, now we want a minute or two.

Mr. KNUTSON. I was going to suggest that the gentleman have 10 minutes more. [Laughter.]

Mr. MURPHY. Good, thank you.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BARKLEY. I want to ask my friend if the referendum to which he refers was not taken after the soldiers were discharged, got back home, and participated in the vote?

Mr. MURPHY. I am very glad the gentleman asked that question. That is true. The soldiers voted for upholding the law and voted right; they knew the curse and you know it, if you want to deal with it fairly and look it squarely in the face. They talk about there being more booze now than before prohibition. That is such a ridiculous statement that I wonder, with the intelligence of this House, that they have listened to it as long as they have without rebuking the statement.

Mr. HUDSON. And does the gentleman recall that Michigan had a referendum vote upon this and went 270,000 dry?

Mr. MURPHY. That is the kind of folks we have in the Central West, and we are proud of them. Yes, and that vote was had after the soldiers were home. We believe in this Government, we believe in its Constitution, and we believe, not in law enforcement—I have a contempt for a citizen who has to be forced to observe the law—we believe in law observance.

Mr. LEAVITT. And is it not true that the vote referred to as a referendum in Illinois followed a statement sent out by the Anti-Saloon League requesting their followers not to vote in that election because it was a question put in a misleading way.

Mr. MURPHY. That is quite true.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. MURPHY. Yes.

Mr. HILL of Maryland. I have listened with a great deal of interest to what my colleague has said, but I have been unable so far to find out whether the gentleman favors my amendment, which proposes raising this amount from $3,900,000 to $14,994,000, with which to adequately enforce the law. Is the gentleman for this amendment to properly enforce the law?

Mr. MURPHY. Let me answer the gentleman's question. If I had the direction of the spending of the amount of money that the gentleman suggests as a total necessary to enforce the law, I would use it in trying to educate fellows like him. [Laughter and applause.]

Mr. BLANTON. Does not the gentleman from Ohio know that an amendment that comes from the gentleman from Maryland is wet, ipso facto?

Mr. MURPHY. Absolutely. [Applause.]

Mr. UPSHAW. Mr. Chairman, the day of miracles has not passed. Whenever the gentleman from Maryland, the Hon. JOHN PHILIP HILL, and the gentleman from Georgia, who, I hope, has won the reputation of being dry not only in precept but in practice, are found voting on the same side of a question the prohibition millenium must be near at hand. [Laughter.]

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. UPSHAW. Yes.

Mr. BARKLEY. Has the gentleman forgotten what happened to the Trojans when they let that wooden horse in? [Laughter.]

Mr. UPSHAW. Mr. Chairman, I believe in the old-fashioned Bible that teaches that sometimes the Lord maketh the wrath of man to praise him. I am not responsible for the "wet" Mr. HILL getting on the side of the "dry" Mr. UPSHAW. I have contended from the beginning that we have played at the matter of guarding our coast against the pirate liquor ships of foreign lands. [Applause.] I indorse the bill of the gentleman from Kansas [Mr. AYRES] invoking an old constitutional law concerning slavery which would make a pirate of every ship from a foreign land that got clearance papers to a friendly nation and then came here roosting out yonder on rum row like the very cormorants of hell to violate our Constitution, defying the flag of a friendly nation, while debauching the citizenship of this country. I said on this floor three years ago that I was in favor of calling out the Navy, every vessel if necessary, to say to these devilish foreign ships, "If you defy our Constitution and our flag, you go to the bottom of the sea." [Applause.]

Mr. Chairman, I am willing to admit that I am afraid of Greeks bearing gifts, especially when they come from Baltimore. [Laughter.] I am willing to admit that the past of the gentleman from Maryland [Mr. HILL] lays him under suspicion. I am willing to admit that he, deep down in his soul, wants to use this before the wet galleries of Baltimore in order to increase his majority; but I am in favor of feeding him out of his own spoon. I am in favor of following Admiral Billard's suggestion that we bottle up the whole American coast, saying to these pirates' liquor ships, "You shall not enter one foot of American territory." [Applause.]

Enemy ships did not enter when we were at war with a foreign nation. Who ever heard of German vessels landing on American soil after the war began? The Government was a unit in its purpose with a militant conscience and kept all enemy ships from touching American shores. And I want not a mere gesture to foreign lands; I want the strong fist of American manhood and the majesty of American law to say to other lands: "We have outlawed intoxicating liquors, and you shall not flaunt our constitutional law." Let nobody talk about the cost. The few little millions that this would cost are not to be considered beside the countless millions that have been saved. We saw crocodile tears shed on this floor a few weeks ago about the cost of enforcing this law. I remind the wets, whose motives may not be commendable in this matter, that the cost of $2,500,000,000 as the bar bill alone was laid every year at the door of the saloon. That was the annual income of the saloons in this country, and what is a paltry little $7,000,000 or $14,000,000 beside that? [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. UPSHAW. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. UPSHAW. What are these paltry sums, I say, compared with the majesty of our Constitution? When an alien country offered insult to the American flag we threw nearly $30,000,000,000 at the feet of the Goddess of Liberty. We dedicated it in prodigal loyalty to the triumph of American ideals and the safety of American homes. [Applause.] And I want the word to go out far and wide that the American Nation is no longer playing with this law, that we shut the doors of America to every liquor pirate that tries to challenge the supremacy of the American Constitution and the American flag.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. UPSHAW. Yes.

Mr. KNUTSON. I am in accord with much that the gentleman says. Does the gentleman think that hanging is too good for those who operate on rum row?

Mr. UPSHAW. I have already advocated sending them to the bottom of the sea.

However, I would like to give them time to pray, because, God knows, they are not fit to die. Take this last word, and I speak seriously. I indorse what the gentleman from Ohio [Mr. MURPHY] has so eloquently said about the influence of American motherhood on the youth of to-day. And that is one reason for my voting to put an American patrol boat on every 10 miles of our prohibition shores. Let the word go out the world around that American shores are protected and pirate liquor ships will stop their impudent and devilish business.

Again I declare that the fact that the "wet" gentleman from Maryland who proposed this wholesome amendment shall not make me refuse to vote for the ample Coast Guard protection which I have advocated for years.

I do not propose to allow any "blooming wet" to beat me trying to enforce our prohibition law.

Listen, gentlemen of this Congress, that beautiful flag above the Speaker's chair has never dipped its colors to any defiant foreign foe, and, God help us, that flag that has been made stainless before the eyes of the watching world shall not now lower its majesty and glory one inch to rum runners from abroad or bootleggers, liars, and cowards at home. [Applause.]

Mr. SCHAFER. Mr. Chairman, I move to strike out the last three words. Mr. Chairman, gentlewomen, and gentlemen of the House, I am one of those who believe that the Volstead law should be modified. I shall not vote for this amendment. In my judgment there are some classed "wets" and there are some classed "drys" who do more harm to the cause which they are supposed to be championing than any possible good they may do. I wish to call attention to the fact that the American Federation of Labor indicated its position in favor of modification of the Volstead Act during the hearings before the Judiciary Committee during the first session of the Sixty-eighth Congress. A Member who has spoken a few minutes ago tells of his holding a labor-union card. In the same breath he casts reflections on the American Federation of Labor's indorsement of modification.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. COOPER of Ohio. Will the gentleman tell the House where the Brotherhood of Locomotive Engineers stand? [Applause.]

Mr. SCHAFER. I will tell you at a later date; but I will say the Brotherhood of Locomotive Engineers, of which I am also a member, has not anywhere near as large a membership as the American Federation of Labor.

Mr. COOPER of Ohio. Will the gentleman yield further?

Mr. SCHAFER. As soon as I finish the statement I would be glad to yield. I am a labor man who believes the American Federation of Labor has rendered valuable service to the laboring people of the United States as well as to the Nation. There are some men who when campaigning for public office exhibit their union labor card and say to the workers: "Here is my card; I belong to this labor organization." But their votes in different legislative bodies do not square with the legislative program of organized labor.

Mr. BARKLEY. Will the gentleman yield?

Mr. SCHAFER. Not now.

Mr. BARKLEY. It may be too late.

Mr. SCHAFER. With reference to the Illinois referendum brought to the attention of the House during the address a few minutes ago by our distinguished colleague, Mr. SABATH, an antimodification Member interjected and stated that the antimodificationists sent out word to their friends not to vote on the referendum, and in substance that the referendum vote was no criterion as to the wishes of the voters of the State of Illinois. The question as submitted on the ballot was, "Shall the existing State and Federal laws be modified so as to permit the manufacture, sale, and transportation of beer (containing less than 4 per cent by volume of alcohol) and light wines for home consumption?" The question was voted on by the people on November 7, 1922, with the following results: Yes 1,065,242 and no 512,111, a majority for beer and light wines of 533,131.

Now, let us see whether the vote is a criterion of the will of the Illinois voters. In this vote the interest was so intense that 92 per cent of the highest legislative vote was cast on this modification ballot, and the vote of Cook County alone reached 95 per cent of the highest legislative vote cast and 91 per cent of the vote for the head of the ticket. I have in my office a petition signed by over 4,000 dirt farmers of Wisconsin asking for a modification of the Volstead Act——

The CHAIRMAN. The time of the gentleman has expired.

Mr. SCHAFER. May I have five minutes more?

The CHAIRMAN. Is there objection?

Mr. BLANTON. Reserving the right to object, I shall not if the gentleman will answer the question put by our distinguished colleague from Ohio whether or not his locomotive engineers and firemen are for prohibition; if not, I will object.

Mr. SCHAFER. I will answer that question.

Mr. BLANTON. Then the gentleman is against his organization? [Applause.]

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin? [After a pause.] The Chair hears none.

Mr. SPEAKS. Will the gentleman yield?

Mr. SCHAFER. Just a minute until I handle this man [Mr. BLANTON]. [Laughter.] In reference to his reservation to object, my distinguished colleague from Texas said he would object if I did not answer the question. In view of the fact I take very little time on the floor of this House and the gentleman takes here hours and hours, and the gentleman extends in the RECORD page after page, I think it is somewhat extraordinary for him to threaten to object if I did not answer a question.

Now, in answer to the question, I will state that I am a member in good standing of the Brotherhood of Locomotive Firemen and Enginemen, as well as of the Brotherhood of Locomotive Engineers, and up to this time I have not received a communication, a regularly authenticated communication, from either of those great labor organizations to indicate that they are working at cross purposes with the stand of the American Federation of Labor. According to my observation, the brotherhoods are working in harmony with the American Federation of Labor on legislation, and if the gentleman will furnish me with an authentic document showing that they have appeared against modification——

Mr. COOPER of Ohio. If the gentleman will yield, I can give him that information in a moment.

Mr. SCHAFER. Yes; I yield.

Mr. COOPER of Ohio. Is it not a fact that in 1914 at the triennial convention of the Brotherhood of Locomotive Engineers, held at Cleveland, Ohio, and again in 1918, they took this position, and the resolution passed that convention unanimously pledging the organization in its best efforts to support State and Federal prohibition of the liquor traffic?

Mr. SCHAFER. I admit your statement; but I will say this, that that resolution did not consider the attitude of this organization on a question that was not then on the statute books. There is a good deal of question as to whether one-half of 1 per cent of alcohol is the highest amount of alcoholic content not to be intoxicating.

Mr. COOPER of Ohio. If you were a member of that organization at that time—the delegates representing you voted for State prohibition of the liquor traffic.

Mr. SCHAFER. Well, State prohibition is not the Volstead Act. [Applause.] People have differences of opinion as to whether one-half of 1 per cent is the maximum per cent not to be intoxicating. I wish you would bring the question before the next convention of the brotherhood for a vote, the same resolution as passed by the American Federation of Labor in favor of modification subsequent to the enactment of the Volstead law.

Mr. COOPER of Ohio. It was the American Federation of Labor that took the attitude you speak of, was it not?

Mr. SCHAFER. Yes, sir.

Mr. COOPER of Ohio. You will stand by the declaration of an organized convention like the Brotherhood of Engineers, will you not?

Mr. SCHAFER. The Volstead Act was not a law at that time, and they could not, of course, indorse a question or act upon a question that was not written then on the statute books. It is ridiculous for the gentleman to bring that indorsement of prohibition up here as an argument to indicate the brotherhood's stand against modification.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. SCHAFER. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. UPSHAW. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. UPSHAW. The gentleman says that the Volstead law was not then before the people. Does not the gentleman know that the Volstead law was made mandatory by the passage of the eighteenth amendment, and that the Volstead law is simply the eighteenth amendment in action, and that the eighteenth amendment had been declared constitutional by the Supreme Court of the United States?

Mr. SCHAFER. In reply to that I suggest that my distinguished colleague go and get a copy of the eighteenth amendment and read the language over very carefully, and show me where the eighteenth amendment says that more than one-half of 1 per cent of alcohol is intoxicating. [Applause.]

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. GRIFFIN. I suggest that the gentleman also ask the gentleman from Georgia to read the minority opinion of the Supreme Court of the United States, which was a 5 by 4 opinion, on the Volstead Act.

Mr. SCHAFER. Yes. I kindly request the gentleman from Georgia to read that opinion.

Mr. UPSHAW. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. UPSHAW. I submit to the gentleman, in reply to the suggestion of the gentleman from New York [Mr. GRIFFIN], that the question of minority does not enter into the decisions of the Supreme Court. The Supreme Court is the last word to every loyal American.

Mr. SCHAFER. But I submit to the gentleman this: Does he think that if a great man who sits on the bench in the Supreme Court reaches an opinion that we could have more than one-half of 1 per cent without violating the eighteenth amendment, he should be charged with undermining the Constitution and not being loyal to the eighteenth amendment?

Mr. UPSHAW. The Supreme Court of the United States rendered a decision that the American Congress was competent to interpret the eighteenth amendment, which outlawed the liquor traffic.

Mr. SCHAFER. Will the gentleman from Georgia use every effort to provide that a modification bill may be brought before this House, so that the Members may have an opportunity to cast their vote so that the sovereign voters of their districts may have an opportunity to observe the gentleman's vote?

Mr. UPSHAW. "The gentleman from Georgia" is a constitutional American, and he will not stand for any law passed by this House which——

Mr. SCHAFER. Then the gentleman holds to the belief and would have us infer that the Justices of the Supreme Court who held that more than one-half of 1 per cent alcohol was not in violation of the eighteenth amendment are un-American?

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. UPSHAW. I did not finish.

Mr. BLANTON. Let me ask the gentleman a question.

Mr. BOYLAN. Mr. Chairman, I rise to a point of order.

Mr. SABATH. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. Gentlemen will suspend until the Chair restores order.

Mr. BARKLEY. Mr. Chairman, a parliamentary inquiry.

Mr. BLANTON. Mr. Chairman, you can not take a gentleman off the floor by a parliamentary inquiry.

The CHAIRMAN. The gentleman from Kentucky [Mr. BARKLEY] rises to propound a parliamentary inquiry.

Mr. BLANTON. Under the rules, Mr. Chairman——

The CHAIRMAN. Will the gentleman wait a minute? Does the gentleman from Wisconsin yield to a parliamentary inquiry?

Mr. SCHAFER. I certainly do.

The CHAIRMAN. Does the gentleman yield for a parliamentary inquiry?

Mr. SCHAFER. Certainly I yield.

Mr. BARKLEY. I desire to ask whether it would be in order to offer a resolution inviting Jack Dempsey to participate in this contest upon the floor? [Laughter.]

Mr. BLANTON. Will the gentleman now yield to me?

Mr. SCHAFER. Yes; I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman from Wisconsin has convinced every Congressman in this House that his statement is correct; that there are some wet speakers who make wet speeches and hurt their cause. [Laughter.]

Mr. SCHAFER. Well, I would like to state to the gentleman from Texas that I do not make it a test for any Member of the House on the question of whether he is a wet or a dry. If a man is with his constituents nine hundred and ninety-nine times on economic and political questions and is against them on one question, be it modification or antimodification of the Volstead Act, I do not believe in making that a test of the Member. In a representative Government I do not believe in testing a man on one vote, as our ardent dry organizations do.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

Mr. SCHAFER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

Mr. SPEAKS. Mr. Chairman, reserving the right to object, I want to ask the gentleman one question.

The CHAIRMAN. The Chair will state that a request for the right to revise and extend remarks does not extend the gentleman's time for debate. The gentleman's time for debate has been exhausted and the question is: Is there objection?

Mr. SPEAKS. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended one minute in order that I may ask him a question.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the time of the gentleman from Wisconsin be extended one minute. Is there objection?

Mr. ANTHONY. Mr. Chairman, reserving the right to object, I want to say that the committee desires to finish this bill this afternoon. I shall not object to the request of the gentleman from Ohio, but will object to any more requests for extensions of time. [Applause.]

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SPEAKS. In view of the fact that there has been more or less humor in the whole situation here I want to ask the gentleman from Wisconsin a question in all seriousness. As a member of the locomotive engineer organization, and as a man who runs a locomotive engine, would the gentleman advocate modification of the Volstead law as a means of better assuring the safety of the millions of people who utilize the railroads of the country for traveling purposes?

Mr. SCHAFER. In answering that I wish to state that the consumption of a glass of 2¾ per cent beer following a hard trip on a railroad or before going out would not jeopardize the life or the limbs of the engine employees or the general public. There are many ways where you could protect the lives of the workers and the general public by enacting legislation beneficial to these people, which the great brotherhoods have repeatedly asked Congress to enact.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired. All time has expired.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland.

Mr. HILL of Maryland. Mr. Chairman, may the amendment be again reported?

The amendment was again reported.

The question was taken; and on a division (demanded by Mr. HILL of Maryland) there were—ayes 8, noes 110.

The amendment was rejected.

The Clerk read as follows:

For every expenditure requisite for and incident to the authorized work of the Coast Guard, as follows:

Mr. GRIFFIN. Mr. Chairman, I move to strike out the last two words.

When the Treasury bill was under consideration I called attention to the fact that the Coast Guard had an appropriation of $12,717,804 to be devoted exclusively in the enforcement of prohibition, in addition to the regular appropriation of $10,635,685, making a total of $23,353,489 for next year. Last year the Prohibition Bureau received $11,000,000 as its specific allowance, which was increased by a further appropriation of $9,649,257 for the prohibition activities of the Coast Guard. Now comes this deficiency appropriation of $7,738,291.96—making the total appropriation $28,407,548.96 for the enforcement of prohibition for 1926.

You know a deficiency bill is a compassionate bill. It is one that takes compassion upon the various bureaus and provides them with additional funds which they were not able to get in the ordinary course of business negotiation with the Budget Bureau or a hard-boiled committee. For instance, take this provision in the deficiency bill of $3,900,000 for the building of new ships to be used by the Coast Guard.

I believe in being fair about these things. If anybody were to bring on the floor of this House under any other appropriation bill a proposal for the construction of a new warship for the Navy, it would have a mighty slim chance. Why show this favoritism to this particular activity of the Federal Government?

I do not disguise my sentiments in any way upon this prohibition-enforcement proposition. I am against the eighteenth amendment upon the ground that its avowed object is to curtail human rights. As students of American history and of the origin of this Government, I ask you to give the subject just for a few moments your dispassionate consideration.

The eighteenth amendment, or so-called prohibition amendment, in my opinion, is a blemish upon the magnificent instrument of government created by the founders of this Nation. It is a flareback to medievalism in the evolution of public opinion.

When our Constitution was framed, Jefferson, Patrick Henry, and many of the greatest Americans in the thirteen Colonies objected, and the instrument was finally only adopted in their respective States upon the understanding that at the very first meeting of the Congress the 10 amendments protecting the fundamental rights of liberty embodied in our Bill of Rights should be inserted.

These 10 amendments were intended to enlarge human liberty, to protect the citizen in his right to practice his religion, to secure a free press, to guarantee the rights of property, the right to bear arms, and to conserve the sovereignty of the respective States. They all enlarged human liberty, extended human rights, but the eighteenth amendment is the only amendment in the history of the United States that is intended to, and does, curtail and diminish human liberty.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GRIFFIN. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GRIFFIN. Take the fifth amendment to the Constitution and read what it says:

That no person shall be deprived of life, liberty, or property without due process of law.

Is not liberty of importance to the individual even though it may extend to so trifling a matter as his apparel or his diet? The eighteenth amendment is simply a sumptuary law engrafted out of place in the Constitution of the United States. Gentlemen assail those of us opposing this particular constitutional amendment and classify us with the so-called "Wets." That is only resorting to the childish practice of "calling names."

I do not feel that I should be put in a category of those encouraging nullification. I am a firm believer in temperance, but I do not believe in total abstinence, nor in forcing it upon any human being.

Mr. BOX. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. BOX. Does the gentleman understand that he has a right to attack the Constitution of the United States as to the validity of an amendment which has been put there by the solemn action of the people and the Supreme Court of the United States?

Mr. GRIFFIN. The first amendment to the Constitution accords to every citizen freedom of speech and the right to protest against any law under which he feels he is aggrieved. When I arise here in this House or anywhere else and attack this amendment I do so under the authority and protection of the Constitution of the United States.

Mr. BLANTON. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. BLANTON. The fifth amendment, which the gentleman read, says "except by due process of law." Does not the gentleman consider the eighteenth amendment and the statute passed by Congress to be due process of law?

Mr. GRIFFIN. No; I do not.

Mr. BLANTON. What could be more "a due process of law"?

Mr. GRIFFIN. "Due process of law" means the law of the land. The highest law of the land is that embodied in the Bill of Rights protecting the citizen against invasions of his liberty, and neither the Congress, the Supreme Court of the United States, nor even a majority of the people of the United States have the right, although they may arrogate the power, to deprive a minority of the sacred guaranties of the Constitution. Those guaranties were put into the Constitution by virtue of a sacred compact entered into by the thirteen Colonies upon their adoption of the Federal organic law. It was under such a compact that the smallest States in the Union were forever guaranteed the right to have a representation of two Senators in the United States Senate.

If an amendment were adopted, changing that system of representation, assuming that it could be adopted by a majority of the people of the United States, would that not be a breach of faith? Is it any less, then, a breach of good faith to nullify the original compact of the citizen with the Federal Government and with the other States of the Union by repealing the protective clauses of the Bill of Rights, which assure the citizen the guaranties of perpetual freedom?

Tyranny by the majority is no easier to bear than tyranny imposed by kings, aristocracies, or privy councils. It is true, it bears the semblance of conforming to the principles of democracy. But those principles have their limitations, as the

founders of our Republic fully understood. Why did they put in our Constitution the Bill of Rights? For no other reason than to protect minorities.

White flour made into cake or bread is unwholesome and positively injurious. Perhaps it has done more harm to the race than alcoholic beverages. With the poorer classes bread is truly the staff of life. They are the ones who suffer most. Many children grow to manhood suffering from malnutrition, impoverished blood, and depleted nerve power through an unbalanced diet, chiefly composed of white bread. Its damage to youth is almost incalculable, unquestionably greater than that inflicted upon the constitution of older folks through indulgence in alcohol.

Suppose, now, the knowledge of this truth became sufficiently general to incite the formation of an "antiwhite-flour league," and it were backed by the wealth of the country and fortified by the support of religious organizations. And suppose they sought to engraft upon our Constitution another prohibition amendment couched in the following language:

The manufacture and sale of white flour for the making of bread and cake is prohibited.

What would happen to such a proposal? I believe that white flour is a greater menace to health than alcoholic beverages ever were, or ever can be, and I never eat it. Yet I would not support such an amendment to our organic law.

Those who believe that it is the duty of the Government to protect the people from harmful beverages would logically be bound to protect the people from harmful foods; but would they ever accept such an amendment? They would laugh at the idea.

What is the difference? Or, in the slang of the day, "Where is the catch?" There is no difference whatever in principle. The "catch," or the solution of the puzzle, is in the difference in point of view. The antiliquor mind has infected itself with a moral fervor based on a revulsion against drunkenness and a hatred of "saloons," which they consider the source of untold evil. In that I believe they were right. The saloon should be doomed, and so long as the reformers confined their efforts to the abolition of that evil, there is hardly a respectable man or woman who would not indorse and support their efforts.

They soon changed, however, from opposition to the saloon to opposition to the things sold in the saloon. That was fundamentally wrong. The patronage of the saloon was limited and growing less every day. In many sections of New York City, for instance, saloon after saloon went out of existence because of waning patronage. Beer, wine, and whisky were sold in groceries for family needs. Beer or wine was served at the family table. Handled in this way overindulgence or drunkenness was exceedingly rare. The bottle of whisky was in the medicine chest for emergencies. That was the regimen that was completely upset by the sudden transition to absolute prohibition.

The result has been the establishment of home brewing and the introduction of the liquor still in the home. These are greater evils than that sought to be corrected. Families in which drunkenness was an utter stranger, accustomed to beer and wines, were suddenly deprived of what they considered an essential part of their household table supplies.

They did the only thing that remained for them to do. They made their own. The ancient household recipes were revived, and elderberry wine, raisin wine, and other ancient concoctions having the necessary flavor or "kick" were restored to the family larder. In such homes, and they are legion, the old status has been to some extent restored, but with this unfortunate consequence—that the shadow of hypocrisy and the gnawing consciousness of law violation disturb the peace of mind. This is the great wrong of such a tyranny of suppression. Decent, law-abiding people should not be subjected to such a hardship.

Then there is another consequence affecting the younger generation. What is their reaction to the disclosures thus made to them in the bosom of their own family? A perusal of the public press, with its daily recitals of immorality among the young, is the answer.

Then there is the saloon that was sought to be wiped out. Has that been accomplished? Yes; but in name only. The old-time corner saloon of the cities has changed the sign over over its door: "Ales, wines, and whiskies," and the bottles of rye and bourbon in its windows have been replaced by others bearing the labels of ginger ale, sarsaparilla, and other liquids of stomach-destroying or of "belly wash" variety. Inside the swinging door the initiated can still get the stronger drink, but of such a vicious, unwholesome character, and at such exorbitant prices, that the health and pockets of the unfortunate patrons are dangerously impaired. Three drinks of this stuff a day at 75 cents a "throw" waste enough of the workers' earnings to keep the whole family well supplied with wholesome meat, bread, and vegetables.

I am awed and perplexed by the persistence of the prohibition fanaticism. Its disciples are mad blind to all the signs and evidences of the utter failure of their propaganda.

There is not a city, town, or village in our land where this clandestine drinking and these blind tigers do not exist. And they always will exist, until the American people return to sanity and abolish the eighteenth amendment.

The decadence of youth—the ruin of morality—the wild orgy of murder, rapine, robbery that has followed the wake of prohibition seems to have no other effect than to stir them up to a wild rage for the wasting of millions of dollars for a futile, though more drastic enforcement. They have completely lost heads.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. GRIFFIN. I ask for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GRIFFIN. Gentlemen talk here about the vote in Ohio of 180,000 majority, but there were 300,000 who voted against it, and so it is throughout every State in the Union. If a vote were taken in our State to-day a tremendous majority would be rolled up against the Volstead law.

Mr. MURPHY. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. MURPHY. I am sure the gentleman wants to be fair in his statement, and he understands that the statement he made about the vote in Ohio was inaccurate.

Mr. GRIFFIN. I am talking about the vote—I understand it was 180,000 majority, but there were 300,000 that did not want it.

Mr. MURPHY. The vote was 500,000 and some odd for it——

Mr. GRIFFIN. And 300,000 against it.

Mr. MURPHY. We believe in that sort of government, do we not?

Mr. GRIFFIN. We, in New York, do not. The Constitution of the United States was intended to protect the minority States in their fundamental rights and liberty.

The CHAIRMAN. The time of the gentleman from New York has again expired.

The Clerk read as follows:

BATTLE FIELDS COMMISSION, PETERSBURG, VA.

For payment to Col. James Anderson, Springfield, Mass., $965.22, and to Capt. Carter R. Bishop, Richmond, Va., $520, as compensation and reimbursement for expenses incurred as members of the commission authorized by the act entitled "An act to provide for the inspection of the battle fields of the siege of Petersburg, Va.," approved February 11, 1925, fiscal year 1926; in all, $1,485.22.

Mr. DREWRY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 44, line 7, strike out the word "Richmond" and insert the word "Petersburg."

Mr. DREWRY. Mr. Chairman, in offering this amendment I would like to address myself a few moments to the House in explanation of the item in this bill to which the amendment is offered. This morning we heard the beautiful tribute paid by our colleague, Major STEDMAN, to General Stuart of the Confederate Army, and it seems appropriate that this opportunity should arise which permits me to pay a tribute to a soldier of the Army of the Potomac. The story is an echo of days gone by—with possibly an appeal to sentiment, if you please to call it so. It will not, however, hurt the Members of this House to refrain a few moments from the necessary, but unromantic, task of spending the people's money to listen to a little sentiment.

Thirty years ago, on the 19th of January, the old soldiers of Lee and Jackson in Petersburg were celebrating, as was their annual custom, General Lee's birthday with a banquet. On that day all business is suspended in Petersburg, and the people of the city vie in honoring the old Confederate soldiers. It is their day—the city is theirs. As it happened—and I have always thought it was providential—an old soldier from Massachusetts, who fought with Grant in attacking Petersburg, was in town for the purpose of revisiting the scenes of his fighting life. He met the old soldiers in their gray uniforms, told them who he was, and they fraternized like brothers, as brave men always will. Bravery is not a matter of the color of the uniform. He was invited to the banquet for that night and accepted. When he was called on for a speech he gave it to

them straight from the shoulder, or as one of the old soldiers said, "He gave us Johnnies hell." He made no apologies for his course in doing his duty in trying to capture the city, nor did he criticize his opponents for holding a different opinion. When he finished his speech he was cheered to the echo. One enthusiast in gray moved that the "Yank" be made an honorary and associate member of the camp. He was elected unanimously and, so far as I know, is the only Federal soldier who holds the honor of being a member of a camp of Confederate veterans. And at this point I may also say that he has never missed a meeting of this camp of Confederate soldiers in Petersburg at the annual celebration of Lee's birthday since he has been elected.

He went back to Springfield, Mass., and persuaded his city to extend an invitation to the Confederate soldiers to visit it. The invitation was accepted, and the old Confederate soldiers from Petersburg were received with such generosity and courtesy and hospitality that a counterinvitation was extended to the Grand Army of the Republic in Springfield to visit Petersburg. Various courtesies have been extended between the two cities since. Petersburg looks on Springfield as a kindly neighbor, and for a stranger to say that he is from Springfield is the open sesame in Petersburg. Springfield is a name that is synonymous with courtesy and hospitality. Nothing could have been more appropriate than that Massachusetts and Virginia should have renewed old friendships. From the beginning of the history of the States they have clasped hands in a common cause. Only once have they disagreed, and then they fought it out like brothers and brave men. Patrick Henry's prophecy that the next gale from the North would bring a clash of resounding arms was answered by the men of Massachusetts almost as soon as he uttered it. George Washington, if I remember correctly, was made commander in chief of the forces of the United States under the old elm in Cambridge. It is true Adams and Jefferson at times disagreed, but their disagreement was always a matter of mental conclusion and not one of patriotism. John Marshall interpreted the Constitution and Webster upheld it. So it was then not unseemly that a citizen of Massachusetts should come to Virginia and be received with open arms.

James Anderson, of Springfield, Mass., is as well beloved in Petersburg as he is in his own home town—maybe more so, for prophets are sometimes ignored in their own country. We call him "Colonel" in Petersburg. It never occurred to me to ascertain whether he was brevetted on the field of action, but I know that he has been brevetted in the hearts and affections of our people. In the South we like to give titles to those we love, and "colonel" is a term of affection and respect for those we wish to dignify. Many a man has the soubriquet who never wore an officer's epaulets. Every man, woman, and child in Petersburg knows "Colonel Jim," as we call him. He possesses the kindly dignity and open heart to his fellow man, and manly courage with his friends and foes that entitle him to the designation. In my humble opinion he has done more to heal the wounds arising out of that fratricidal conflict of the sixties than any man now alive. The final word might be said of him, "He loves his fellow man."

When this commission was appointed to survey the battle fields around Petersburg he was put on the commission. Notwithstanding that the appropriation was not carried at that session of Congress with the authorization, yet he came down in his own car from Massachusetts, at his own expense, and spent a good part of the summer in carrying on the work of the commission. This item of the bill is to repay him for the expenses advanced by him in this behalf.

He lies now on a bed of sickness in a hospital in his native city, and I felt that I wanted, as a spokesman of the people of Petersburg, to lay on the pages of this journal a tribute to this soldier of the Federal Army, who has done all that lay within his power to bring about a united country. After all, gentlemen, I know of no higher praise that can be awarded a man than to say that for 30 years he labored to promote the harmonious union of his country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

The Clerk read as follows:

NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS

Northwestern Branch, Milwaukee, Wis.: For repairing main roadway through the reservation, approximately one and one-fourth miles in length, $17,500, to continue available until June 30, 1927.

Mr. SCHAFER. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER: Page 44, line 16, after the comma after the word "length," strike out "$17,500," and insert in lieu thereof "$25,000."

Mr. SCHAFER. Mr. Chairman, I wish to congratulate the committee on recommending an appropriation to repair the main road at the National Military Home for Disabled Volunteer Soldiers, northwestern branch, in the city of Milwaukee. I call the attention of the Committee of the Whole to the fact that the Budget has authorized $25,000 to be appropriated for the repair of this road. The hearings on the War Department appropriation bill, page 902, reveal the fact that estimates have been obtained by the Board of Managers and that the Board of Managers feel that the amount of $25,000 is necessary properly to repair the road. I think that my amendment is fair. It merely provides the amount estimated by the Board of Managers and what the Budget has recommended as necessary. There are thousands of disabled veterans of all wars who are residents at this national home. I feel that sufficient funds should be appropriated to keep the main roads within the confines of the home in proper shape to add to the comfort of our disabled veterans and especially to the comfort of those who must travel this road in ambulances.

At the last session I offered an amendment to the appropriation covering the home to provide for the repair of these roads which failed of enactment. I am glad the distinguished chairman of this subcommittee made a personal visit to the northwestern branch and has made recommendation properly to repair the roads.

Mr. ANTHONY. Mr. Chairman, the committee felt that $17,500 was sufficient to make the repairs indicated to this road. The first estimate presented about a year ago to the committee was that $10,000 would do the work. It is true that the Budget asks for $25,000 this year. I personally looked at this road last November. The road is in bad shape and needs repair, but there is ample material, macadam, in the road now. All it needs is a tarvia resurfacing, and the committee believes $17,500 is sufficient for the purpose.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. SCHAFER) there were—ayes 4, noes 48.

So the amendment was rejected.

The Clerk resumed and concluded the reading of the bill.

Mr. BEGG. Mr. Chairman, I move to strike out the last word. Mr. Chairman and Members of the committee, it is unfortunate that our distinguished Chairman of the Committee on Appropriations [Mr. MADDEN] is prevented from being present here to-day to defend this appropriation. I have been asked to make a brief statement on it, and I refer to the amendment which was offered in the bill and successfully offered, making an appropriation of $374,462.02 as an interest payment to the Omaha Indians. Now, I think in the discussion the other day there was one vital point that was not clearly brought out. The Court of Claims has very rightly stated as a judgment $122,000, in round numbers, is the principal sum due the Omaha Indians. Then they started to find a judgment for interest charge at 5 per cent, which would be a total of $374,000——

Mr. RANKIN. Mr. Chairman, I make the point of order that debate on this amendment has been exhausted. The amendment passed under the five-minute rule, and the gentleman is out of order.

Mr. BEGG. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman from Ohio.

Mr. BEGG. The only thing I think it is necessary to say on this point of order is I moved to strike out the last word in the bill and under that motion to strike out the last word in the bill I think I am permitted to discuss any phase of that bill which I desire to.

Mr. RANKIN. I make the point of order that the last word in the bill is "1926." The gentleman is not permitted under his motion to go back and discuss the entire bill, which has been repeatedly held by both the Speaker and the Chairman of the Committee of the Whole House on the State of the Union.

Mr. SNELL. After the generous discussion on this bill this afternoon it seems to me rather far-fetched to raise that technicality at this stage of the game. I appreciate the gentleman has the right to make the point of order.

Mr. RANKIN. Mr. Chairman, the gentleman from New York is one of the last men on earth who should attempt to

lecture me on the ethics of the House. I have a right to make this point of order at any time, and I submit this is the time to make it. The amendment to which the gentleman refers has been debated and passed by the Committee of the Whole House on the state of the Union several days ago, and it is not in order to go back now and discuss it under a motion to strike out the last word.

Mr. BYRNS. Will the gentleman from Ohio yield to allow me to ask the gentleman from New York a question? Without discussing the merits or the demerits of this particular amendment, I desire to ask the gentleman if in all his experience here he has heard of a case where an amendment has been passed that has been discussed at length and finally adopted and placed in the bill that when the reading of the bill has been concluded and the committee is ready to rise, I repeat, has the gentleman ever heard of such a thing as making a five-minute speech on a motion to strike out the last word?

Mr. SNELL. There has been a general discussion on the whole bill this afternoon. I appreciate the gentleman has a right to make the point of order—I am not discussing that—but I think he ought to be a little more liberal as long as we had general discussion of the bill this afternoon.

Mr. BARKLEY. And this discussion is on something we have already passed.

The CHAIRMAN. The motion of the gentleman from Ohio was to strike out the word "1926" and debate will have to be confined to the subject of striking out that word.

Mr. BEGG. Mr. Chairman, I offer a motion to strike out the enacting clause of the bill.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the first amendment, then. The gentleman can not swap horses in the middle of the stream.

Mr. BEGG. Mr. Chairman, I submit I have a right to make that motion.

Mr. RANKIN. The gentleman has been recognized for five minutes on the other proposition.

The CHAIRMAN. The gentleman's recognition to this point has been on the first amendment.

Mr. BEGG. I am making a new motion. I am asking a new recognition.

The CHAIRMAN. Without objection, the pro forma amendment made by the gentleman from Ohio will be withdrawn. Is there objection?

Mr. RANKIN. Mr. Chairman, I object.

The CHAIRMAN. The question is on the pro forma amendment of the gentleman from Ohio.

The question was taken, and the amendment was rejected.

Mr. BEGG. Now, Mr. Chairman and members of the Committee, as I started to say a moment ago, I think there is one point that ought to be——

Mr. RANKIN. Mr. Chairman, I submit that the gentleman is not in order. I renew my point of order.

Mr. BEGG. I refuse to be interrupted unless the gentleman is going to do it in accordance with parliamentary law.

Mr. RANKIN. I make the point of order, Mr. Chairman, that the gentleman must confine his remarks to the proposed amendment.

Mr. BEGG. I have not had a chance yet. I did not get more than four words out of my mouth.

Mr. RANKIN. Oh, yes. The gentleman started out to make the same speech.

Mr. BEGG. The gentleman presumes to know what I am going to say.

Mr. RANKIN. He said he was going on to discuss the proposition he started out with. I make the point of order that he must confine his remarks to the amendment.

Mr. BEGG. Well, members of the committee, I think the procedure so far is perhaps more effective in getting before the membership of this House what I wanted to get before it than if I had been permitted to talk three or four minutes.

What I wanted to point out was this: The Court of Claims found a decision on the principal sum for $122,000.

Mr. RANKIN. Mr. Chairman, I renew the point of order.

Mr. BARKLEY. Mr. Chairman, I make the point of order that under a motion to strike out the enacting clause the gentleman can only discuss what appears in the bill under the enacting clause, not what it will be when it is adopted by the House.

Mr. BEGG. A motion to strike out is in order at any time, and we are now in the committee, and all amendments adopted by the committee are part of the discussion that the person offering to strike out the enacting clause is entitled to discuss.

Mr. BARKLEY. That is not a part of the bill until it comes before the House.

Mr. BEGG. It is a part of the bill up to the present time.

The CHAIRMAN. The Chair will say that in his view the motion to strike out the enacting clause brings before the committee the entire bill. The motion can be made at any time before the committee concludes consideration of the bill, and when it is made it relates, as the Chair thinks, to everything contained in the bill. There is a ruling in Hinds, Volume V, section 5336, page 177, where the question was raised whether certain remarks were in order on a motion to strike out the enacting clause. The Chair will read:

5336. On a motion to strike out the enacting clause a Member may debate the merits of the bill but must confine himself to its provisions.

On July 1, 1841, the House was in Committee of the Whole House on the state of the Union considering a bill "to appropriate the proceeds of the sale of the public lands and to grant preemption rights," the pending motion being to strike out the enacting clause of the bill, on which extended debate had taken place.

While Mr. Aaron V. Brown, of Tennessee, had the floor, Mr. Christopher Morgan, of New York, asked if they were to be detained "by discussing everything under the heavens." The gentleman's remarks had no reference to the subject under consideration.

The Chairman (Mr. Lawrence, of Pennsylvania) stated that the question then pending was on striking out the enacting clause of the bill, and the gentleman had a right to go into the whole merits of it, but the gentleman must confine himself to the provisions of the bill.

That is the only precedent that the Chair has been able to find at the present moment.

Mr. BARKLEY. My point of order is not based on the contention that the gentleman can not make his motion to strike out the enacting clause, but that the amendment is not a part of the bill within the meaning of that decision, and does not become a part of it until that amendment is approved by the House.

The CHAIRMAN. In reply the Chair will say that the only action of the committee will be to report the bill to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass. That will include a recommendation by the Committee of the Whole that the so-called Howard amendment be agreed to. The motion of the gentleman from Ohio [Mr. BEGG] will prevent that action being taken if his motion prevails.

Mr. BARKLEY. And also any other provisions of it.

The CHAIRMAN. That is for the committee to determine. Of course the striking out of the enacting clause will defeat the whole bill. But the Chair does not feel that he can consider the merits as to the effect of the motion or upon the point of order. The gentleman from Ohio is discussing the reasons for and the effects of his motion. The Chair is constrained to overrule the point of order.

Mr. BEGG. Now, Mr. Chairman, I hope the gentleman on the minority side will permit me to proceed for about two minutes, because that is about the length of time I wanted to consume.

Mr. RANKIN. The gentleman has already made that statement in his speech heretofore.

Mr. BEGG. The Court of Claims found there was due the Omaha Indians, in round figures, $122,000. Then the court started to render a decision which contained a finding that there was an interest charge due of $374,000, when the attorney for the Government called the attention of the court to the fact that the court was without jurisdiction to make a finding for an interest charge.

Now, here is the point I want the House to keep clearly in mind: If there had not been a carrying up of that case by the claimants to the Supreme Court of the United States, there would have been an element of doubt as to whether or not they were entitled to the interest. But, as so often happens, a claimant is dissatisfied with the decision; he carries his case up and the lower court's finding is sustained.

Now, the case was carried to the Supreme Court of the United States by the claimants and the Supreme Court of the United States affirmed the finding of the Court of Claims, to wit, that they were not entitled to an interest charge. I want the House to have that information and I want to call the attention of the House to another fact. There seemed to be some alarm about the fact that the Appropriations Committee was usurping its authority in not appropriating, because we had passed a law specifically authorizing it. However, all that law did was to make this money available, so as not to make it subject to a point of order if the Appropriations Committee found it to be due. In their investigations they find—or they must have found—that it was not due, else they would have brought in a provision carrying the appropriation.

Mr. BYRNS. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. BYRNS. The gentleman said the higher court affirmed the judgment of the lower court, holding that there was no interest due. Does not the gentleman know that the lower court, in its original finding, held they were entitled to interest and it was only disallowed because the attorney for the Government called their attention to the fact that they were without jurisdiction to allow interest.

Mr. BEGG. I made that statement very clearly.

Mr. BYRNS. I did not so understand the gentleman.

Mr. BEGG. Yes; and I will make it plain so that the gentleman will understand, because there are no dollars in it for me either way. I said that the Court of Claims found $122,000 due as principal and started to allow $374,000 as interest, when the attorney for the Government called their attention to the fact that they had no jurisdiction to find any interest due. Then they carried the case to the Supreme Court, and according to the gentleman's own committee report it appears:

> The modified decision of the Court of Claims rendering judgment in favor of the Indians in the sum of $122,295.81 and eliminating any provision for interest was rendered on June 10, 1918.
>
> On appeal to the Supreme Court of the United States that court affirmed the judgment of the Court of Claims as to the disallowance of interest.

Mr. BYRNS. Certainly.

Mr. BEGG. That is exactly what I said.

Mr. SPROUL of Kansas. And there is a statute which forbids the payment of interest.

Mr. BEGG. The gentleman from Kansas calls my attention to another fact, that there is even a statute prohibiting the payment of interest. I give the House that information on the gentleman's statement.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. COOPER of Wisconsin. Mr. Chairman, I ask that the gentleman have two more minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent that the gentleman from Ohio may proceed for two additional minutes. Is there objection?

Mr. RANKIN. Mr. Chairman, I object. I think it is time we voted on this bill.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio be given two more minutes in order that the gentleman from Wisconsin [Mr. COOPER] may ask him a question.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent that the gentleman from Ohio may proceed for two additional minutes. Is there objection?

There was no objection.

Mr. COOPER of Wisconsin. I understood the gentleman from Ohio, when reading a moment ago, to say that the Supreme Court in its opinion affirmed the modified judgment of the lower court?

Mr. BEGG. Does the gentleman want the exact language?

Mr. COOPER of Wisconsin. Well, the gentleman himself read "modified judgment."

Mr. BEGG. No; I did not. I said affirmed the judgment of the Court of Claims as to the disallowance of interest.

Mr. COOPER of Wisconsin. But the original judgment of the court below, as I understand, was that the claimants should have principal and interest.

Mr. BEGG. No; the gentleman is in error.

Mr. COOPER of Wisconsin. And then the counsel for the Government called the attention of the court to the fact that the statute forbade the granting of interest; thereupon they modified their original judgment, and then the claimants took the case to the Supreme Court. Only a few moments ago did not the gentleman himself read the words "modified judgment" in what he read? Please read what the gentleman read a few moments ago.

Mr. BEGG. I will do that, but before doing so I want to read the statute with reference to an interest charge. Now, mind you, this interest, as attempted to be allowed in the original judgment, was all prior to the rendering of the judgment, and the statute reads:

> No interest shall be allowed on any claim up to the time of the rendition of judgment thereon by the Court of Claims, unless upon a contract expressly stipulating for the payment of interest.

Now, there was no contract and there was no judgment. The Court of Claims started to render a judgment when their attention was called to the fact that they had no jurisdiction to do so. The case was carried to the Supreme Court by the claimants and the Supreme Court reaffirmed the finding of the Court of Claims as to the disallowance of interest. Now, then, on what ground can we override that kind of a decision?

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. HOWARD. Mr. Chairman, I rise in opposition to the motion. [Applause.]

Mr. Chairman and gentlemen of the committee, I know you are all anxious to go home. You are anxious to get through with this bill to-night, and I am going to detain you only a little bit; just long enough to say that I am surprised at the action of my friend, the gentleman from Ohio, in injecting an argument here so out of place, it seems to me, and not in harmony with the well-settled procedure of the House.

I have no argument to make on the legal phase of this question. I could not make an argument in five minutes; that would not be possible. I only want to say to you, gentlemen, that we have discussed this matter for more than a year now, off and on. Practically every Member of this House is entirely familiar with the situation. Either it is right or it is wrong for this House now to pass judgment favorably upon a former action by the House, by the Senate, and with the approval of our President. One of two procedures is right, and one must be wrong. I am of opinion it will be the right and the fair thing for us now to say to these Indians that the Congress, having passed their bill authorizing this appropriation, the President having approved it, the Budget Bureau having estimated for it, the hour has arrived now when we ought to close the discussion and say to them that their money will be paid. [Applause.]

Mr. SIMMONS. Will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from Nebraska.

Mr. SIMMONS. The statement was made by the gentleman from Ohio that the bill authorizing this payment did not direct the payment, but that it contained a proviso, if the Appropriations Committee found it due. I have here the bill which is in the regular form authorizing the appropriation of a specific amount, with no proviso giving the Committee on Appropriations the authority that the gentleman from Ohio states; and may I ask the gentleman further this question?

The gentleman from Ohio read the statute, saying that interest was not authorized, was not this authority on the part of Congress directly authorizing this payment passed years after the general statute to which the gentleman referred, and does it not necessarily supersede it?

Mr. HOWARD. Oh, yes.

Mr. BROWNING. Will the gentleman yield to me?

Mr. HOWARD. I will.

Mr. BROWNING. I will ask the gentleman if it is not a fact that the statute expressly provided that the Court of Claims should not render a judgment for interest; and was not that the only thing the Supreme Court decided?

Mr. HOWARD. I so understood it.

Mr. BROWNING. And the fact is this Congress in exercising its judgment said that this interest should be allowed, and passed an authorizing act to that effect.

Mr. HOWARD. That is the situation exactly.

Mr. BROWNING. And directing the Appropriations Committee or this Congress to make this appropriation?

Mr. HOWARD. That is it.

Mr. MOORE of Virginia. And if your claim should be disallowed we would be disregarding the action of a former Congress.

Mr. HOWARD. That is right. I do not think we will. [Applause.]

Mr. ANTHONY. Mr. Chairman——

The CHAIRMAN. The Chair will say that on a motion to strike out the enacting clause only two speeches may be made, one for and one against. The question is on the motion of the gentleman from Ohio to strike out the enacting clause of the bill.

The question was taken, and the motion was rejected.

Mr. ANTHONY. Mr. Chairman, I move that the committee do now rise and report the bill to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CHINDBLOM, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration H. R. 8722, the deficiency appropriation bill, had directed him to report the same to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. ANTHONY. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. ANTHONY. Mr. Speaker, I ask for a separate vote on the Howard amendment.

The SPEAKER. Are there any other amendments on which a separate vote is demanded? If not the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the amendment on which a separate vote is demanded, which the Clerk will report.

The Clerk read as follows:

Page 25, after line 2, insert: "To pay the Omaha Tribe of Indians of Nebraska, in accordance with the act of Congress approved February 9, 1925, estimated for by the Budget Bureau and forwarded to the House of Representatives by the President and printed in House Document No. 617, Sixty-eighth Congress, second session, the sum of $374,465.02.

The SPEAKER. The question is on the amendment offered by the gentleman from Nebraska.

The question was taken; and on a division (demanded by Mr. HOWARD and Mr. OLDFIELD) there were—ayes 101, noes 92.

Mr. ANTHONY. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 181, nays 108, answered "present" 2, not voting 140, as follows:

[Roll No. 29]

YEAS—181

Abernethy	Dickinson, Mo.	Larsen	Sandlin
Allgood	Doughton	Lazaro	Schafer
Andresen	Dowell	Leavitt	Sears, Fla.
Arnold	Drewry	Little	Sears, Nebr.
Auf der Heide	Driver	Lowrey	Shallenberger
Bacon	Edwards	Lozier	Simmons
Bailey	Eslick	Lyon	Sinclair
Bankhead	Evans	McClintic	Sinnott
Barkley	Faust	McDuffie	Smith
Beck	Fisher	McKeown	Smithwick
Bell	Fletcher	McLaughlin, Nebr.	Speaks
Berger	Frear	McMillan	Spearing
Black, Tex.	Fulmer	McReynolds	Steagall
Bland	Garber	McSwain	Stedman
Blanton	Gardner, Ind.	McSweeney	Stevenson
Bloom	Garner, Tex.	Major	Swank
Boies	Gasque	Manlove	Swing
Bowling	Gibson	Mansfield	Taylor, Tenn.
Box	Gifford	Mapes	Taylor, W. Va.
Boylan	Goldsborough	Mead	Temple
Brand, Ga.	Goodwin	Montague	Thomas
Briggs	Green, Fla.	Mooney	Tillman
Browne	Greenwood	Moore, Ky.	Timberlake
Browning	Griffin	Moore, Va.	Underwood
Buchanan	Hadley	Morehead	Upshaw
Bulwinkle	Hammer	Morrow	Vaile
Burdick	Hare	Nelson, Mo.	Vinson, Ga.
Busby	Harrison	Nelson, Wis.	Vinson, Ky.
Byrns	Hawes	Norton	Voigt
Canfield	Hill, Ala.	O'Connell, R. I.	Warren
Cannon	Hill, Wash.	O'Connor, La.	Weaver
Carter, Okla.	Houston	Oldfield	Wefald
Chapman	Howard	Oliver, N.Y.	White, Kans.
Christopherson	Huddleston	Parks	Whitehead
Cleary	Hudson	Peery	Whittington
Collier	Hudspeth	Quin	Williams, Tex.
Colton	Hull, Tenn.	Ragon	Williamson
Connally, Tex.	Johnson, Tex.	Rainey	Wilson, La.
Cooper, Wis.	Kemp	Rankin	Wilson, Miss.
Crisp	Kerr	Rathbone	Winter
Crosser	Kincheloe	Rayburn	Woodruff
Crowther	Knutson	Rogers	Woodrum
Davis	Kopp	Romjue	Wurzbach
Deal	Kurtz	Rubey	
Denison	Kvale	Rutherford	
Dickinson, Iowa	Lankford	Sanders, Tex.	

NAYS—108

Ackerman	Curry	Irwin	Snell
Adkins	Davenport	James	Sosnowski
Aldrich	Eaton	Johnson, Ill.	Sproul, Ill.
Allen	Elliott	Johnson, Ind.	Sprout, Kans.
Andrew	Ellis	Ketcham	Stalker
Anthony	Esterly	Lehlbach	Stephens
Arentz	Fairchild	Letts	Strong, Kans.
Bachmann	Fish	MacGregor	Strother
Barbour	Fitzgerald, Roy G.	Magee, N. Y.	Summers, Wash.
Beers	Fitzgerald, W. T.	Magee, Pa.	Taylor, N. J.
Begg	Foss	Magrady	Thatcher
Bowles	Free	Martin, Mass.	Tilson
Bowman	French	Miller	Tinkham
Brigham	Frothingham	Montgomery	Tolley
Britten	Furlow	Morgan	Treadway
Bromm	Gorman	Murphy	Updike
Burtness	Hall, Ind.	Nelson, Me.	Vare
Burton	Hall, N. Dak.	Newton, Minn.	Vincent, Mich.
Butler	Hardy	Patterson	Wainwright
Campbell	Hawley	Phillips	Wason
Chalmers	Hersey	Purnell	Watres
Chindblom	Hickey	Reece	Watson
Clague	Hill, Md.	Reed, N. Y.	Wheeler
Cole	Hoch	Rowbottom	White, Me.
Cooper, Ohio	Hogg	Sanders, N. Y.	Wolverton
Coyle	Hooper	Seger	Wood
Crumpacker	Hull, William E.	Shreve	Wyant

ANSWERED "PRESENT"—2

McFadden McLaughlin, Mich.

NOT VOTING—140

Almon	Fuller	LaGuardia	Ransley
Appleby	Funk	Lampert	Reed, Ark.
Aswell	Gallivan	Lanham	Reid, Ill.
Ayres	Gambrill	Lea, Calif.	Robinson, Iowa
Bacharach	Garrett, Tenn.	Leatherwood	Robsion, Ky.
Beedy	Garrett, Tex.	Lee, Ga.	Rouse
Bixler	Gilbert	Lindsay	Sabath
Black, N. Y.	Glynn	Lineberger	Schneider
Brand, Ohio	Golder	Linthicum	Scott
Carew	Graham	Luce	Somers, N. Y.
Carpenter	Green, Iowa	McLeod	Stobbs
Carss	Griest	Madden	Strong, Pa.
Carter, Calif.	Hale	Martin, La.	Sullivan
Celler	Hastings	Menges	Sumners, Tex.
Collins	Haugen	Merritt	Swartz
Connery	Hayden	Michaelson	Sweet
Connolly, Pa.	Holaday	Michener	Swoope
Corning	Hull, Morton D.	Milligan	Taber
Cox	Jacobstein	Mills	Taylor, Colo.
Cramton	Jeffers	Moore, Ohio	Thayer
Cullen	Jenkins	Morin	Thompson
Darrow	Johnson, Ky.	Newton, Mo.	Thurston
Davey	Johnson, S. Dak.	O'Connell, N. Y.	Tincher
Dempsey	Johnson, Wash.	O'Connor, N. Y.	Tucker
Dickstein	Jones	Oliver, Ala.	Tydings
Dominick	Kahn	Parker	Underhill
Douglass	Kearns	Peavey	Vestal
Doyle	Keller	Perkins	Walters
Drane	Kelly	Perlman	Weller
Dyer	Kendall	Porter	Welsh
Fenn	Kiefner	Pou	Williams, Ill.
Flaherty	Kiess	Prall	Wingo
Fort	Kindred	Pratt	Wright
Fredericks	King	Quayle	Yates
Freeman	Kunz	Ramseyer	Zihlman

So the amendment was agreed to.

The following pairs were announced:

On this vote:

Mr. Wingo (for) with Mr. McFadden (against).
Mr. Somers of New York (for) with Mr. Appleby (against).
Mr. Peavey (for) with Mr. Kiefner (against).
Mr. Weller (for) with Mr. Madden (against).
Mr. Hayden (for) with Mr. Luce (against).
Mr. O'Connell of New York (for) with Mr. Funk (against).
Mr. Carss (for) with Mr. Reid of Illinois (against).
Mr. Schneider (for) with Mr. Connolly of Pennsylvania (against).
Mr. Kindred (for) with Mr. Griest (against).
Mr. Garrett of Texas (for) with Mr. Williams of Illinois (against).
Mr. Prall (for) with Mr. Swoope (against).
Mr. Hastings (for) with Mr. Golder (against).
Mr. Celler (for) with Mr. Strong of Pennsylvania (against).
Mr. Aswell (for) with Mr. Darrow (against).
Mr. Carew (for) with Mr. Pratt (against).
Mr. Lampert (for) with Mr. Fenn (against).
Mr. O'Connor of New York (for) with Mr. Carter of California (against).
Mr. Doyle (for) with Mr. Graham (against).
Mr. Sullivan (for) with Mr. Newton of Missouri (against).
Mr. Lindsay (for) with Mr. Fuller (against).
Mr. Kunz (for) with Mr. Kendall (against).
Mr. Quayle (for) with Mr. McLeod (against).
Mr. Lee of Georgia (for) with Mr. Kiess (against).
Mr. Dickstein (for) with Mr. Oliver of Alabama (against).
Mr. Black of New York (for) with Mr. Bixler (against).
Mr. Martin of Louisiana (for) with Mr. Mills (against).
Mr. Reed of Arkansas (for) with Mr. Porter (against).
Mr. Milligan (for) with Mr. Morin (against).
Mr. Sabath (for) with Mr. Ransley (against).
Mr. Wright (for) with Mr. Sweet (against).
Mr. Corning (for) with Mr. Bacharach (against).
Mr. Douglass (for) with Mr. Welsh (against).
Mr. Drane (for) with Mr. Taber (against).

General pairs:

Mr. Merritt with Mr. Linthicum.
Mr. Freeman with Mr. Pou.
Mr. Hale with Mr. Almon.
Mr. Perkins with Mr. Sumners of Texas.
Mr. Johnson of South Dakota with Mr. Ayres.
Mr. Scott with Mr. Collins.
Mr. Kearns with Mr. Johnson of Kentucky.
Mr. Dyer with Mr. Cullen.
Mr. Lineberger with Mr. Lea of California.
Mr. Michener with Mr. Taylor of Colorado.
Mr. Walters with Mr. Dominick.
Mr. Thompson with Mr. Cox.
Mr. Zihlman with Mr. Tucker.
Mr. Thayer with Mr. Gallivan.
Mr. Yates with Mr. Tydings.
Mr. Tincher with Mr. Garrett of Tennessee.
Mr. Michaelson with Mr. Lanham.
Mr. Brand of Ohio with Mr. Jeffers.
Mr. Cramton with Mr. Gambrill.
Mr. Johnson of Washington with Mr. Jones.
Mr. Kelly with Mr. Gilbert.
Mr. McLaughlin of Michigan with Mr. Davey.
Mr. Moore of Ohio with Mr. Jacobstein.
Mr. Parker with Mr. LaGuardia.

Mr. JONES. Mr. Speaker, am I recorded?

The SPEAKER. The gentleman is not recorded.

Mr. JONES. I was not in the hall when my name was called.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

On motion of Mr. ANTHONY, a motion to reconsider the vote whereby the bill was passed was laid on the table.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

A message in writing from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved bill of the following title:

H. R. 7484. An act granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across Red River near Fulton, Ark.

ITALIAN DEBT SETTLEMENT

Mr. LANKFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the Italian debt settlement.

The SPEAKER. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD on the Italian debt settlement. Is there objection?

There was no objection.

Mr. LANKFORD. Mr. Speaker and gentlemen of the committee, to my mind the Italian debt settlement plan as here proposed provides an outright gift to Italy and a vicious robbery of the American people. I know that many who support this plan are honest in their convictions, but the result of their support is just as harmful, nevertheless.

Many say that Italy is bankrupt and unable to pay. All must admit that she has wonderful resources, and that while she has not some of the minerals, and so forth, of other countries, that her soil is fertile, ofttimes producing more than an equal acreage in this country.

Information from the division of statistical and historical research, Bureau of Agricultural Economics, relating to the production of wheat, rye, barley, oats, and corn in the United States and Italy for the year 1925, discloses that—

The average yield of wheat in Italy was 20.6 bushels per acre, while in the United States it was 12.8 bushels; the average yield of rye in Italy was 21.5 bushels per acre, while in the United States it was 11.9 bushels; the average yield of barley in Italy was 22.3 bushels per acre, and in the United States it was 26.4 bushels; the average yield of oats in Italy was 39.2 bushels per acre, while in the United States it was 33.3 bushels per acre; and the average yield of corn in Italy was 27.7 bushels per acre, while it was 28.5 bushels in the United States.

Among the 89 wheat-producing countries of the world Italy usually stands about eighteenth. The average yield per acre of wheat and rye in Italy for the year 1925 was about twice as great as in the United States for the same year. The average yield of oats per acre is about 6 bushels greater in Italy than in the United States for the year 1925, and that of corn and barley is about the same. The soil of Italy can not be said to be "sterile" or nonproductive.

Italy is producing more now than she produced before the war and will continue to produce more and more as the years go by.

Italy is one of the world powers. All admit that she has at least twenty-two billions of national wealth and many contend that her national wealth probably is even twice that amount. But admit that her national wealth is at the lowest figure stated, then it naturally follows that it will increase. The national wealth of the United States to-day is nearly twenty times as great as it was just after the Civil War.

One great mistake that some make is in figuring Italy's ability to pay as of the present and then making none of the debt payable at the present. We ought to figure on her ability to pay as of the date the paying is to be done. She proposes to pay so little at the present until we can easily disregard the present payments. They will be negligible.

But is Italy so poverty stricken? She has approximately 119,000 square miles in Europe and numerous colonial possessions. No nation occupies a more favorable position on the Mediterranean Sea, and she is mistress of the Adriatic Sea. She has practicaly a natural monopoly of sulphur. Sicily is now producing 17 per cent of the world's supply.

Italy has a wonderful climate, and her tourist trade is very valuable.

Then again she is to receive an enormous indemnity from Germany.

Mr. Winston, Assistant Secretary of the Treasury, says that Italy received from Germany last year the equivalent of $16,000,000; that she will get about twenty million each year for the next few years, and then the annual amount will get larger. Italy will get as indemnity from Germany during the next 40 years much more than enough to pay all the debt commission has agreed to accept in full settlement of our whole debt, and yet during the first 31 years of this time she will pay only about one-fourteenth of what she is to pay us. She will get enough out of Germany to pay us nearly all she owed, and she will get enough out of Germany to pay us several times the amount the Debt Commission says we ought to accept. She is to get all her money from Germany in 40 years, and we are asked to give her 64 years on what is due us, and we are asked to let her have this large amount of money practically without interest.

If we had not gotten into the war and had not let Italy have our money, to-day Italy would be paying indemnity to Germany instead of Germany paying it to her. Italy ought to pay us what she owes us, with a reasonable interest.

But if Italy was poverty stricken she could pay us several times what she is offering from the money she is to get from Germany as indemnity. The argument, though, that Italy is poverty stricken falls through on every point. She has all the railroads she needs, has one of the best shipping interests in the whole world, and exports much farm products.

We are simply asked to give Italy a present. We are asked to do more by Italy than we are asked to do by any other country. Even Belgium is to pay much more per dollar loaned than Italy. Belgium, which stood the thickest in the war, is offering to do her part nobly. Belgium suffered more in the war than any other country, and the war was not her fight, either. It happened to take place on Belgian territory. Belgium could have told the Germans to march through and attack France and Belgium would not have suffered so severely, but she did not do this; she held back the German army until the rest of the world could get ready for the war.

We are asked to discriminate not only against our country but also against that brave little people in Belgium who unto the rolling down of the curtain of eternity will challange the admiration of the world in their stand against the powerfully trained troops and fresh ones of the Kaiser in the early war days. Historians now and hereafter will record their work as a miracle that saved Europe and the world from the ravages of a war-mad king.

It seems that around the peace table it was understood that the United States was to cancel the prearmistice debt of Belgium, but now we are asking her to pay interest about four times as great as that charged Italy. Why this great discrimination, and why against our own people and against poor, brave, heroic, glorious Belgium?

To my mind there is simply no defense to the Italian settlement plan as now advocated.

Some say we should be generous with Italy because of the part she played in the war. What about the part Belgium played? What about the part we took in the war?

Some gentlemen seem to have forgotten our sacrifices in the war. We drafted, chiefly from farms and factories, more than 4,000,000 American sons. They defended not only this Nation but the homes and armies of the allied nations. In addition to this, we gave nearly $30,000,000,000 of our national wealth; $20,000,000,000 of this amount went direct as a loan to our allies. In order to raise this money we issued Government bonds and sold them to almost every American family and taxed everyone to the limit of his financial capacity. Thousands of our sons were killed and millions were maimed or diseased. The war is still costing America billions of dollars annually, and neither the present nor the succeeding generation will live to see this enormous debt paid. We have not only been just, but we have been generous to the allied nations. We have not only loaned them money, but we have contributed generously of our substance to them in the hour of need. America gets nothing from the war except disease, debt, and death; our allies do get reparations from Germany.

The armistice was signed more than seven years ago. The allied indebtedness has not yet been funded, and in no case have we extended, or proposed to extend, the day for final payment to less than 62 years, nearly 70 years from conclusion of the war. The bonds which we issued and sold to raise the money loaned to our allies have not yet been paid, and we are now taxing our citizens almost beyond the point of endurance to pay the interest on our domestic indebtedness incurred by reason of the war.

Every citizen and individual in this Nation must pay his or her part by direct income or through the medium of an exorbitant tariff. No one can escape. Within the next few years the bonds we sold must be paid. Who will pay most of the indebtedness. Obviously, many of the same boys who defended

the allied armies. When will they collect the loans made to the Allies? If at all, it will be some 30 or 40 years later. What other obligation has America to discharge?

Some gentlemen contend, and the press has so stated, that under the proposed settlement the full amount of the American debt and interest will be collected; they do not say how much interest will be collected. Let us see if this statement is in point of fact accurate. Senator BURTON, a distinguished Member of this House and one of the ablest men on the Debt Funding Commission, speaking of the Italian debt settlement in comparison with the British settlement, said:

> That seems a very great concession; and it is, for if we calculate the present worth at 4¼ per cent we obtain only 25 per cent, or $583,000,000, on a debt which was originally $1,648,000,000. (See CONGRESSIONAL RECORD, p. 1634.)

Senator BURTON admits that if the terms of the settlement offered are accepted, that we will obtain only about 25 per cent of the debt, and that is a fact. Gentlemen who contend otherwise should remember that we are funding a debt composed of both principal and interest. There is no fundamental difference between the cancellation of interest and the cancellation of principal. Why should gentlemen thus quibble, except to camouflage this enormous gift of the American citizens' money?

What is the difference between a dollar of principal and a dollar of interest? When we begin to figure on paying interest or of giving it away it at first seems a trivial matter, but for a long term of years the interest is much bigger than the principal. It is said, well, we are willing to practically give Italy the interest and a very long term of years, but we are to save the principal. What a wonderful saving we are about to make. This is economy, is it?

Reminds me of the railroad company which went into receivership and lost all their line of road; all their rolling stock, including passenger coaches and locomotives, and all other property of every description, but saved one cowcatcher.

The debt commission in this matter is about to succeed as well as the city fire department which went to a fire on a near-by farm and lost the home, all outhouses, and the farmer's barn and all his supplies, but saved the well.

Let us see about the proposition. Italy owes us much more than $2,000,000,000, but let us figure on $2,000,000,000 for a few minutes. Let us see how much interest we are about to give away. This money belongs to the people of the United States, and many of the farmers would be glad to borrow it at 6 per cent. Italy to begin with is to pay no interest for the first five years. Well, 6 per cent for five years compounded or paid annually amounts to at least 34 per cent of the principal. Thirty-four per cent of $2,000,000,000 is $680,000,000. This, divided into 435 shares, so as to let each Member get a share, would build in each congressional district in the United States 31 post-office buildings costing $50,000 each.

Some economy and some liberality with a foreign nation. It is urged that we can not afford to even enter upon a program to build one building in each congressional district within the next five years, and yet it is proposed to give Italy enough to build 31 post-office buildings in each district during the next five years, and yet this liberality to Italy will have just begun at the end of the five years. It also seems that the miserly attitude toward the cities which are entitled to Federal buildings will have just begun also.

But let us figure a little more. In many sections of the country the farmers pay 8 per cent for money. Just to see how important is the matter of interest for a 64-year period let us see what $2,000,000,000 will amount to in 64 years at 8 per cent compounded annually or paid annually. The farmers generally have to pay or compound it quarterly.

Money at 8 per cent compound interest doubles in every 8 years, then $2,000,000,000 in 8 years becomes $4,000,000,000, and so on until at the end of 64 years $2,000,000,000 of principal is $512,000,000,000, or an addition of $510,000,000,000 on account of interest. The interest on a sum of money at 8 per cent per annum compounded for 64 years is 255 times as large as the principal.

The interest on this Italian debt at 8 per cent compounded for 64 years will produce an amount sufficient to build nearly 300 congressional libraries in each congressional district, as expensive as the one here, which is one of the most expensive and beautiful buildings in the world.

This interest thus calculated would at the end of 64 years be large enough to build a fine courthouse or post-office building for about every eight people in the whole United States. And yet it is urged that we are going to save the principal even though we practically lose the interest.

I get so tired of people howling about saving a few dollars which should be spent for the improvement of the country, and then so gladly make such splendid gifts of the people's money for any purpose sponsored by the big rich, or the international bankers, or some foreign country which happens to be able to exert some sinister influence here in America. Nearly every fellow who is supporting the Italian debt steal, the record will show, voted to cut off the garden seed from the farmers and little children and to deprive the little girls of America of a few flowers. Some economist! Most of these same people are anxious to not build any Federal buildings in the country cities and a great many of them are bitterly opposed to any sort of appropriations for good roads. Economy is a wonderful thing when it is worked overtime on the poor so as to be in position to give millions and billions to foreign nations and to international bankers.

Lets figure just a little more on what the United States will lose on this Italian proposition even with the United States borrowing money under the most favorable circumstances. Oh my, for a term of years, interest is of so much more importance than the principal. We could easily propose to Italy to give her all the principal at the end of eight years provided she paid us interest annually at 8 per cent. This trade would be many times better than what we are asked to accept.

Let us see what Mr. Mellon, the Secretary of the Treasury, has to say about the matter of interest on this Italian debt. We quote from the testimony of Secretary Mellon before the Ways and Means Committee:

> From the United States standpoint, therefore, the question of whether a particular settlement represents a reduction in the debt depends on whether the interest charged over the entire period of the agreement is less than the average cost to us of money during that period. The flexibility in debt settlements is found in the interest rate to be charged.

We submit that this statement clearly sets forth the fact that whether a debt be paid depends on whether the interest charge over the entire period is less than that which we pay out in interest charge for a like sum during the same period.

So that there can be no misunderstanding of the interest rate charged Italy under this bill, we at this point insert in full that portion of the bill which designates the rates of interest to be charged. It is found in lines 1 to 12, inclusive, on page 3 of the bill, and is set forth as follows:

> The bonds to be issued shall bear no interest until June 15, 1930, and thereafter shall bear interest at the rate of one-eighth of 1 per cent per annum from June 15, 1930, to June 15, 1940; at the rate of one-fourth of 1 per cent per annum from June 15, 1940, to June 15, 1950; at the rate of one-half of 1 per cent per annum from June 15, 1950, to June 15, 1960; at the rate of three-fourths of 1 per cent per annum from June 15, 1960, to June 15, 1970; at the rate of 1 per cent per annum from June 15, 1970, to June 15, 1980; and at the rate of 2 per cent per annum after June 15, 1980, all payable semiannually on June 15 and December 15 of each year.

We have heretofore called to your specific attention in the portion of the debt settlement inserted herein that there was no interest paid to this Government until June 15, 1930. Now, when the debt begins to bear interest we are astonished to find that the rate of interest upon the obligation is next to nothing. Kindly keep in mind the statement made by the distinguished Secretary of the Treasury, above quoted, that—

> the question of whether a particular settlement represents a reduction in the debt depends on whether the interest charge over the entire period of the agreement is less than the average cost to us of money during that period.

At this time, we repeat, the average interest rate paid by us upon our indebtedness is 4.1 per cent per annum, and, according to the gentleman best qualified to know, Mr. Mellon, Secretary of the Treasury, the average annual interest rate paid by Italy under this bill is forty-two one-hundredths of 1 per cent. What a vast difference the position of the decimal point makes. The present interest rate of this Government is practically ten times the average rate under this funding agreement. We wonder if the people of this country appreciate just what the position of that decimal point means to them in dollars and cents. Even should the cost of money to us through this same period be lowered to 3 or 3½ per cent, still the rate of interest which we would be compelled to pay would be between seven and eight times as much as we would be receiving from Italy.

We will compare the amount of interest which this Government would pay upon $100 at the present rate at which she borrows money, 4.1 per cent for the period of 62 years, with the amount of interest she would receive from Italy for the

same amount over the same period of time at the average annual rate prescribed by this bill. We find that during this period America would pay out in interest $254.20 for her loan and would only receive the sum of $27.30 from her debtor, Italy. We pay out almost ten times as much as we would receive.

But some will say that we will be able to secure money at a lesser rate in the future. That, of course, is problematical, but assume we could get it through this period of 62 years at the average annual rate of 3 per cent per annum. A loan of $100 for this period would cost us in interest $186, as against the sum of $27.30 which Italy would pay on a loan of like amount.

But let us get down to interest talk that the people back home as well as myself are personally acquainted with. We will take the 6 per cent rate—that is the least rate upon which we can procure money from long-term loan companies. Over this period of 62 years interest on $100 at 6 per cent amounts to $372, as compared to the sum of $27.30 which is paid by Italy for a like amount for a like period.

We submit a table showing the amount in interest that will be paid under this bill for a loan of $100 during the first 35 years of the plan:

Period	Annual interest percentage	Annual interest money	Total interest for period
1925–1930	0	0	0
1930–1940	One-eighth of 1 per cent	$0.12½	$1.25
1940–1950	One-fourth of 1 per cent	.25	2.50
1950–1960	One-half of 1 per cent	.50	5.00

Thus we find that under the proposed plan Italy during the next 35 years would pay us approximately $8.75 for the use of $100 for that period, whereas at 3 per cent it would cost us $105, at 4.1 per cent it would cost us $143.50, and at 6 per cent it would cost us $210.

We wonder if the American people realize how exceedingly generous this Government desires to be to Italy—at their expense.

As heretofore stated, the amount of the Italian debt as of June 15, 1925, was $2,042,000,000. Considering the rate of interest at 4¼ per cent per annum, the present value of the payments made through the 62-year period, or, in other words, the present value of the settlement, is $538,000,000; and with a 3 per cent interest charge the present value of the settlement is $791,000,000. In other words, we have expended money from our Treasury as of the date of the settlement in the sum of $2,042,000,000, and this obligation as of that date, upon the same rate of interest which we have paid since we secured this money for Italy, is worth $538,000,000, or $1,504,000,000 less than we have invested in it. If the 3 per cent basis be used, with the present value of the settlement being $791,000,000, it is easily seen that we are $1,251,000,000 in the hole. In other words, if we were to square the books as of the date of the debt settlement, either by the payment of the present value of the settlement by Italy or by the negotiation and assignment of the present value of the debt agreement, we would lose between one and one-quarter to one and one-half billion dollars. Of course, whatever interest we would pay upon this sum would be an additional loss.

Another angle at which this loss may be viewed is contained in the views of the distinguished gentleman from Tennessee [Mr. HULL], page 44 of report, in this language:

> I am impelled to the conclusion, however, that the proposed settlement is not a reasonable settlement, but is more in the nature of a cancellation. The amount of this debt, with interest under the 62-year plan of payment, would, I am told, aggregate near $5,500,000,000. The amount of the proposed settlement is $2,042,000,000 plus interest of $365,577,000 to be paid during 62 years, or a total of $2,400,000,000 in round figures. This shows a scaling under the 62-year payment plan of near $3,000,000,000, or, when compared with the terms of the British settlement of near $2,500,000,000.

The American people were felicitated by the distinguished leader of the majority, the gentleman from Connecticut [Mr. TILSON], near the adjournment of Congress for the holidays, as a result of the reduction of the Federal tax burden of the people in the sum of $325,000,000. It occurs to me that this debt settlement having been made on November 14, 1925, making this gift to Italy in the sum of $3,000,000,000, it might have been well to have included Italy in the words of felicitation, because their gift was practically ten times that which has been bestowed upon the American people. Divide $3,000,000,000 by 62 and you will find that you will get practically $50,000,000, which represents the annual gift of this country to Italy in the event that this settlement shall be ratified. Fifty million dollars per year, or more than a hundred and thirty-five thousand dollars per day, a gift out of the pockets of the American people.

Is it any wonder that at the consummation of the Italian-American debt settlement the dictator of Italy, Premier Mussolini, wired Count Volpi, the Minister of Finance of Italy, and chairman of the royal war-debt commission, in part as follows:

> I desire to express my full appreciation of the settlement reached, which represents a happy conciliation of interests as well as the acknowledgment of the justice of our case and of our real capabilities.
>
> Please convey to the members of the American commission the expression of my gratification, voicing the sentiments of the Italian people.

The above quotation is taken from the statement given to the press at the time of the signing of the debt agreement, which is filed as Exhibit 73 in the hearings upon this bill before the Ways and Means Committee.

Little wonder is it that Premier Mussolini and the Italian people were pleased. They recognized the fact to be that during the next 32 years they will not pay—without adding any interest charge—the postarmistice debt, amounting to $616,000,000—money which our people loaned Italy after the last gun had ceased firing, and which sum we as citizens of America must pay; in other words, during the first 32 years this agreement will run they will not pay us one-fourth of their obligation.

Two stock arguments of those who favor the proposed Italian debt settlement are that Italy is not able to pay and that we should be generous.

It seems that no one can reasonably contend that Italy is not now able to pay and also that she will never within 62 years become able to pay. In fact, she is able to begin paying reasonable annual amounts at this time. The indemnity she is to receive from Germany would enable her to do this even if she was in bad financial condition otherwise.

She is appropriating huge sums of money for military purposes and naval purposes at this very time. Her present army appropriation is for $72,000,000 and her naval appropriation is for $35,000,000.

She is entering upon a huge military policy. Here is a recent clipping from the Washington Post:

> ROME CHAMBER VOTES TO STRENGTHEN ARMY
>
> ROME, January 29 (by A. P.).—After Premier Mussolini had made a speech in which he declared that the armed forces of the nation must be maintained with the highest efficiency and that Italy wanted peace, but that peace would be more secure if backed by the sword, the Chamber of Deputies to-night adopted the clauses of the bill for reorganization of the army.
>
> The premier announced that 76 regiments are to be stationed in the chief cities of the provinces, "regardless of prayers in the cathedrals and processions in the streets, all of which will be useless."
>
> He said also that 11 extra regiments are to be stationed "at fitting places."

Certainly, Italy could begin paying us now. The great trouble is that she has found out that she can easily get a large part of her debt canceled.

How can anyone ever justify himself with the American people in canceling a very large part of the Italian debt on the theory that Italy is bankrupt. How can anyone justify restricting the consideration of Italy's ability to pay to the present when so small a part of this debt is to be paid in our lifetime or even in the lifetime of most of our children. Her prospective ability to pay should enter into the consideration, especially in view of the great length of time that is given.

We have been more than generous with all the Allies. Italy could not complain if we gave her no discount on her debt. Here we are about to give her a sum of money several times larger than is the sum of money borrowed. Of course, we do not give this to her all at one time but we give her a large sum of money every year and we propose to perfect an arrangement whereby our children and our children's children will be giving her large sums of money every year and every day thereof years and years after we shall have passed off this stage of action.

It is not right. So much has been said about giving away none of the principal. The great trouble is, though, that the thing which it is proposed to cancel here is much greater than the principal. The interest on any sum of money for a long

term of years is much greater than the principal, even as a great forest which grew from one acorn is must greater than the seed from which it sprang.

The interest on this debt for 64 years at 8 per cent, payable annually, as I have shown, is two hundred and fifty-five times as large as the principal. I can scarcely believe the figures after I have gone over them time and again. At 6 per cent for this term of years the interest is more than thirty times as great as the principal. My, what a difference a slight difference in the rate makes.

The settlement becomes shocking when one stops to figure on it just a little. Experts tell us that the present worth of what Italy is to pay us is $791,000,000, and this can be easily verified by a little use of a lead pencil and the application of a simple rule of percentage which we learned when we were school children. I have gone a little further and figured just a little more, and I invite those that may be interested to verify my statement by a little application of the rules of percentage.

Here is what I find. If Italy had paid us 8 per cent per year from the close of the war to date, she would have paid us by this good moment nearly twice as much as our debt commission are now offering to accept in full settlement. If she had paid us only 4 per cent per annum from the time she got the money until this time, and the debt commission was now proposing to cancel the whole blamed principal, the proposition would not be as absurd as the one here proposed, for the present proposition will not get this much out of the affair.

If the debt commission had brought in here a proposition that Italy pay 8 per cent per annum on what she owes for a little over four years and that then the whole debt would be canceled, it would have been a much better proposition than the one which we are asked to swallow.

Yet it is said that the principal is saved. Yes; it is saved for Italy. It is saved so that very little of it will ever be seen by us or our children.

What caused this great scramble of those who are now clamoring for this gift to be made to Italy. A little while ago many statements were given out that there would be no cancellation of any part of the foreign debts, and especially was it made clear that, by all means, the principal would not be canceled, either in whole or in part. The cry was, Save the principal, even if you give away 5 or 10 times the amount of the principal in interest.

The Italian proposition is many times more favorable than the British settlement, and yet here is what the Republicans declared to be the policy of their party in 1924, as expressed in their platform:

> We have steadfastly refused to consider the cancellation of foreign debts. * * * Our position has been based on the conviction that a moral obligation, such as was incurred, should not be disregarded. We stand for settlement with all debtor countries similar in character with our debt agreement with Great Britain.

Senator BURTON, who was then on the debt commission, delivered the keynote speech at the Republican Convention and was very positive in his declarations that there would be no cancellation of the principal of these debts. My colleague from Georgia [Mr. CRISP] was not on the debt commission at that time, but he was very pronounced in his views in speeches here in Congress and assured the people that he opposed any settlement, except along the line of the British settlement.

I can easily see how a man can get wrong occasionally, for we all do this. I feel that the Democrats who favor this bill are, as a general rule, mistaken honestly.

The thing that puzzles me, though, is how the country can believe that many of the Republicans who vote for this thing and who always vote for the corporate interests are ever for the farmers or the laboring people, even though they make many protestations of love for the common folks during campaign year. They only yell for the common folks during campaign year, and then vote for the big interests during their service in Congress.

Nearly every man who voted to stop the free-seed item of only a few thousand dollars voted in a few days to spend many times that amount in building a bridge across the Potomac River, when there are already three bridges in and near Washington, and yet these people shout economy when they have taken a package of garden seed from the farmers of the Nation and from their wives and have made the little children understand that for the sake of economy if they want flower seed they must buy them. Oh, what economy! These economists voted the railroads large amounts of cash and yet voted the ex-service men no money but only a cheap form of death benefit They furnished the railroads money so that they could live; they said to the ex-service men, "Live if you can; we will guarantee your folks a little money when you die."

These same economists become very much wrought up when there is an effort to appropriate a little money to pay for the printing of a few books on diseases of horses and cattle, and in their anguish of spirit they cry out to their friends to please help them save the great economy program. They know that this little appropriation will help the farmers and must know that this is probably the only thing this Congress will do for the farmers, and yet there is more real agony in the camp of the so-called economist than there has been over any bill at this session.

These same economists in name know that the amount given to Italy each day under the proposed settlement is nearly large enough to print all the books on diseases of horses and on diseases of cattle which will be printed for three years under the item for this purpose as carried in the Agricultural appropriation bill, and yet they complain bitterly over giving this small amount to the farmers for just a day and a few hours, and gladly vote to give it to Italy not for one day out of three years but for every day in the year and for a period of years to last until our children and our children's children will be in the grave or tottering with old age. Some economy!

They say that Italy is poor and needy. What about the poor old fathers and mothers of this country and their children? Are not they needy?

They say Italy helped in the war. What about the poor old fathers and mothers of the farm and their boys and girls? Did not they help in the war, too, and did not they suffer all the terrors of that horrible conflict? They say let us be generous with Italy. Why not be generous with our own people, and why not be generous with that father who lost his sons or with that mother who is widowed and left without a son to help her as a result of that war?

There is another very interesting angle to this Italian debt proposition. The approval of this debt settlement means for the Members voting here to pass on the respective rights of the common folks who, through the Government, have loaned money to the Italian Government, and the rights of the international bankers of the country to whom Italy is now heavily indebted. There is involved, I repeat, in this bill the rights of the common people and the rights of the big rich. This is true in so many of the matters coming up here.

It is difficult, though, in many to trace out the respective rights of each and equally hard to ascertain just how each is to be effected. This bill is not so hard in this respect, for in this bill the same country owes the international bankers and also owes the United States, which is all of us.

First, let us see just how much is owed, and to whom it is owed, and also how cheap is the Italian Government to get off in its dealings with the money of the immensely rich.

We are told in the hearings that the Italian Government owes J. P. Morgan & Co., of New York, the sum of $100,000,000; that $50,000,000 of this is a renewal of an old loan and that the balance is in the nature of a new loan. We are reliably informed that Italy is to pay this firm of international bankers the sum of $9,000,000 as commission and between 7 and 8 per cent as interest. Thus Italy will actually get as a new loan $33,500,000 and will pay for it during the first year of the loan the commission and one year's interest, amounting to $7,500,000 on the whole item, or $3,750,000 on the new item. In other words, Italy will pay the international bankers over 35 per cent for the new loan for one year, and during this same year she will not pay the common people a blamed cent. Neither will Italy for the first five years pay any interest, and, furthermore, she will practically pay no interest for the 64 years the loan of the United States is to run.

Some bill, is not it, with no interest on our money and fabulous interest on the loans made by the big bankers. But, they say, we have saved the principal. Blamed if I know whether they are talking about saving the principal of the debt or about saving the principle of helping the big rich at the expense of the poor of the country.

There is only one way to figure that Italy is not paying the Morgan interest an outrageous interest or charge, and that is to figure that Italy not only got the money from J. P. Morgan & Co. but to understand that Italy also secured another very valuable asset, to wit, the help of the international bankers in putting over this outrageous steal about to be perpetrated on the American people. If the influence of the big rich put this thing over, then Italy is being well repaid for all the money she has agreed to pay the J. P. Morgan & Co. combine.

I wish that the farmers of the Nation could borrow money as easily as we are loaning it to Italy. Just think of a loan

to the farmers for five years without interest then at a rate which never averages as much as 1 per cent, and just think of a loan for 64 years. Just think of a loan to the farmers on the basis of the farmers paying a small interest for four or five years and then for the entire debt to be canceled. This is what we are about to do for Italy.

The farmers can not expect this kind of treatment, for they are the ones that are being forced to do this gift stunt to Italy. I have about decided that the farmers will not get any help from the Government of a substantial nature, for the Government is all the time making the farmers help those that do not need any help and who already are rich beyond our ability to comprehend.

That is a harsh statement, and I wish that it was possible for me to say the contrary and be honest with myself and with the people of my district and of the country.

I am very sorry that there are not more Members here who at heart are for the farmers of the Nation. Too many are for the farmers only in name. They are not for the farmers when voting time comes if they, the Members, are voting. They are only for the farmers at voting time when the farmers are to do the voting.

I hope that I will live to see the day when the friends of the farmers will get together and stay together until the farmers get a square deal. If the friends of the farmers and of the common folks were together at this time, we could defeat not only this Italian outrage but we could put through a program for the farmers of the Nation. When a measure comes up here which is in the interest of the farmers and the common people the friends of the farmers are scattered, and in the end the cause is lost. Some of the farmers' friends are Democrats. Some are not. Some of them are Republicans, and some are not. There is not sufficient organization. Some of the farmers' friends in the Republican camp will respond to the Republican whip and vote contrary to their conviction in order to be called regular in their party ranks. Some in the Democratic Party will do the same thing. We need men here who are for the farmers first, last, and all the time.

We may rest assured of one thing, and that is the friends of the corporate interest stand together all the time, it matters not whether they are Democrats or Republicans, and it matters not how many whips are cracked over their backs. They are loyal to the big rich and can not be swerved from the service of their masters.

Another reason for the present Italian debt settlement going through is that the press of the country are practically all lined up with whatever is called for by Wall Street. This is especially true with the press of the North and New England. Then again occasionally some paper, even in the South, which claims to be Democratic will be found barking along for the gang with the Wall Street interests.

There are too many people who claim to be for the common people who prove by their stand that they are with the other crowd.

Much has been said in this debate about being magnanimous and being generous. It all depends on whom one is to be magnanimous and generous with in his or her dealings.

People who cry out loudest for the Congress to be magnanimous with the corporate interests and with foreign governments are not at all concerned about our being generous with the common folks or with the farmers of the country.

I feel that we should extend generosity to our home people rather than to the peoples of other countries. We have many millions of farmers who are blanketed with millions and millions of mortgages. Many of these farmers are losing their homes simply because they can not pay the interest on these mortgages, and yet we are giving Italy enough to pay off all the mortgages in a few years. But if some one even suggested making the farmers of the Nation a gift large enough to pay off all their mortgages they would be criticized as a demagogue and worse than that would be called crazy and sent to St. Elizabeths asylum for the insane if the Wall Street influence could have its way in putting its enemies out of the way.

Yet we are letting the farmers lose their homes as a result of just such legislation as that I am criticizing; and while he can not pay his taxes and interest, the Congress is making generous gifts to the peoples of foreign countries.

But why talk longer about the matter? I do want to call the attention of Congress and the country, though, to the splendid essay written by the late-lamented Senator Tom Watson, of Georgia, in which he so beautifully pictured the greatness of the farmers of the Nation and the utter dependence of the rest of the country on the farmers. After describing in his inimitable way a beautifully sunny spring day in Georgia, Senator Watson said:

On such a day, such a cloudless, radiant, flower-sweetened day, the horseman slackens the rein as he rides through lanes and quiet fields, and he dares to dream that the children of God once loved each other.

On such a day one may dream that the time might come when they would do so again.

Rein in the stop, here on this high hill. Look North, look East, where the sun rises, look South, look West, where the sun sets—on all sides the steady mule, the steady plowman, and the children dropping corn.

Close the eye a moment and look at the picture fancy paints. Every field in Georgia is there, every field in the South is there. And in each the figures are the same—the steady mule and the steady man and the pattering feet of the children dropping corn.

In these furrows lies the food of the Republic; on these fields depend life and health and happiness.

Halt those children and see how the cheek of the world would blanche at the thought of famine.

Paralyze that plowman, and see how national bankruptcy would shatter every city in the Union.

Dropping corn! A simple thing, you say.

And yet, as those white seeds rattle down to the sod and hide away for a season, it needs no peculiar strength of fancy to see a Jacob's ladder crowded with ascending blessings.

Scornfully the railroad king would glance at these small teams in each small field; yet check those corn droppers, and his cars would rot on the road and rust would devour the engines in the roundhouse. The banker would ride through those fields thinking only of his hoarded millions, nor would he ever startle himself with the thought that his millions would melt away in mist, were those tiny hands never more to be found dropping corn. The bondholder, proud in all the security of the untaxed receiver of other people's taxes, would see in these fields merely the industry from which he gathers tribute; it would never dawn on his mind that without the opening of those furrows and the hurrying army of children dropping corn his bond would not be worth the paper it is written on.

Great is the might of this Republic!—great in its schools, churches, courts, legislatures; great in its towns and cities; great in its commerce; great in its manufactures; great in its colossal wealth.

But sweep from under it all these worn and wasted fields, strike into idleness or death the plowman, his wife and his child, and what becomes of the gorgeous structure whose foundation is his fields?

Halt the food growers, and what becomes of your gold and its "intrinsic value"?

How much of your gold can you eat?

How many of your diamonds will answer the need of a loaf?

But enough.

It is time to ride down the hill. The tinkle of the cowbell follows the sinking sun—both on the way home.

So, with many an unspoken thought, I ride homeward, thinking of those who plant the corn.

And hard, indeed, would be the heart that knowing what these people do and bear and suffer, yet would not fashion this prayer to the favored of the Republic: "O rulers, lawmakers, soldiers, judges, bankers, merchants, editors, lawyers, doctors, preachers, bondholders! Be not so unmindful of the toil and misery of those who feed you!"

CLAIMS BY MEXICO FOR OCCUPATION OF VERA CRUZ (S. DOC. NO. 49)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with accompanying papers, referred to the Committee on Foreign Affairs.

To the Congress of the United States:

I transmit herewith a report by the Secretary of State requesting the submission anew to the present Congress of the matter of the claims arising out of the occupation of Vera Cruz, Mexico, by American forces in 1914, which formed the subject of a report made by the Secretary of State to the President on February 4, 1924, and my message to the Congress dated February 7, 1924, which comprise Senate Document No. 33, Sixty-eighth Congress, first session, copies of which are furnished for the convenient information of the Congress.

I renew my recommendation, originally made by President Harding, that in order to effect a settlement of these claims the Congress as an act of grace and without reference to the legal liability of the United States in the premises, authorize an appropriation in the sum of $45,518.69, and I bring the matter anew to the attention of the present Congress, in the hope that the action recommended may receive favorable consideration.

CALVIN COOLIDGE.

THE WHITE HOUSE, *February 6, 1926.*

CHANGE OF REFERENCE OF PRESIDENT'S MESSAGE.

The SPEAKER. On yesterday the Chair referred a message of the President relating to the expenditures of the con-

tingent fund in the State Department to the Committee on Foreign Affairs. He is advised that the precedents for reference are to the Committee on Expenditures in the State Department. Without objection it will be referred to the Committee on Expenditures in the State Department.

There was no objection.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted as follows:

To Mr. MICHENER (at the request of Mr. MAPES), on account of illness.

To Mr. ALMON, for to-day, on account of illness.

ADJOURNMENT.

And then, on motion of Mr. ANTHONY (at 4 o'clock and 20 minutes p. m.), the House adjourned until Monday, February 8, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 8, 1926, as reported to the floor leader by clerks of the several committees:

APPROPRIATIONS COMMITTEE

(10.30 a. m.)

Appropriations for independent offices (subcommittee).

DISTRICT OF COLUMBIA COMMITTEE

(10.30 a. m.)

A bill to provide for the construction of a bridge to replace the bridge known as Chain Bridge, located in the District of Columbia, and for other purposes (H. R. 4006); Subcommittee on Streets, Highways, and Traffic.

A bill to abolish capital punishment in the District of Columbia (H. R. 349 and H. R. 4498); Subcommittee on Judiciary.

FOREIGN AFFAIRS COMMITTEE

(10.15 a. m.)

For the acquisition or erection of American Government buildings and embassy, legation, and consular buildings, and for other purposes (H. R. 6771).

IRRIGATION AND RECLAMATION COMMITTEE

(10 a. m.)

To provide for the storage of the waters of the Pecos River (H. R. 3862).

MILITARY AFFAIRS COMMITTEE

(11 a. m.)

A bill to establish a national military park at and near Fredericksburg, Va., and to mark and preserve historical points connected with the Battles of Fredericksburg, Spottsylvania Court House, Wilderness, and Chancellorsville, including Salem Church, Va. (H. R. 6756); Subcommittee 6.

RIVERS AND HARBORS COMMITTEE

(10 a. m.)

Houston (Tex.) Ship Channel.

(10.30 a. m.)

For the purchase of the Cape Cod Canal property, and for other purposes (H. R. 8392).

POST OFFICES AND POST ROADS COMMITTEE

(10 a. m.)

To regulate the manufacture, printing, and sale of envelopes with postage stamps embossed thereon (H. R. 4478 and other similar bills).

JUDICIARY COMMITTEE

(10 a. m.)

Bills for changes in various judicial districts, place and time of court sessions, and related subjects.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. DRIVER: Committee on the Territories. H. R. 6573. A bill to extend the time for the completion of the Alaska Anthracite Railroad Co., and for other purposes; without amendment (Rept. No. 211). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8128. A bill to punish counterfeiting of Government transportation requests; with amendments (Rept. No. 212). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. MORROW: Committee on Claims. H. R. 537. A bill for the relief of A. B. Ewing; without amendment (Rept. No. 213). Referred to the Committee of the Whole House.

Mr. KELLER: Committee on Claims. H. R. 1731. A bill for the relief of John W. King; with amendments (Rept. No. 214). Referred to the Committee of the Whole House.

Mr. SEARS of Nebraska: Committee on Claims. H. R. 2011. A bill for the relief of William D. McKeefrey; without amendment (Rept. No. 215). Referred to the Committee of the Whole House.

Mr. REECE: Committee on Military Affairs. H. R. 658. A bill for the relief of Harry Coventry; with an amendment (Rept. No. 216). Referred to the Committee of the Whole House.

Mr. JOHNSON of Indiana: Committee on Military Affairs. H. R. 3376. A bill for the relief of Thomas J. Gardner; without amendment (Rept. No. 217). Referred to the Committee of the Whole House.

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. 712) granting an increase of pension to Lizzie H. Elliott; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 5268) granting a pension to James L. Smith; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAWES: A bill (H. R. 8988) to amend an act of February 11, 1924, entitled "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"; to the Committee on the Judiciary.

By Mr. BLOOM: A bill (H. R. 8989) amending subchapter 5 of the Code of Law of the District of Columbia, as amended to June 7, 1924, relating to offenses against public policy; to the Committee on the District of Columbia.

By Mr. ZIHLMAN (by request of the Commissioners of the District of Columbia): A bill (H. R. 8990) to amend an act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910, as amended by an act of Congress approved December 30, 1910; to the Committee on the District of Columbia.

By Mr. WOODRUM: A bill (H. R. 8991) to establish a permanent status for the United States Army Band, and for other purposes; to the Committee on Military Affairs.

By Mr. CANFIELD: A bill (H. R. 8992) for the purchase of a site and the erection of a public building at Aurora, Ind.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 8993) for the purchase of a site and the erection of a public building at Batesville, Ind.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 8994) for the purchase of a site and the erection of a public building at Franklin, Ind.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 8995) for the erection of a public building in Greensburg, State of Indiana, and appropriating money therefor; to the Committee on Public Buildings and Grounds.

By Mr. UPSHAW: A bill (H. R. 8996) authorizing the purchase of a site and the erection thereon of a national home for soldiers and sailors of all wars; to the Committee on Public Buildings and Grounds.

By Mr. GREEN of Iowa (by request): A bill (H. R. 8997) to amend sections 2804 and 3402 of the Revised Statutes; to the Committee on Ways and Means.

Also (by request), a bill (H. R. 8998) to establish in the Treasury Department a bureau of customs and a bureau of prohibition, and for other purposes; to the Committee on Ways and Means.

By Mr. GIBSON: A bill (H. R. 8999) to amend the act of February 28, 1916, creating a Bureau of Efficiency; the act of March 4, 1923, creating a Personnel Classification Board; and

the act of September 7, 1916, creating the United States Employees' Compensation Commission; to the Committee on the Civil Service.

By Mr. RAGON: A bill (H. R. 9000) providing for a mine rescue station and equipment at Spadra, Ark.; to the Committee on Mines and Mining.

By Mr. MEAD: A bill (H. R. 9001) to amend the national prohibition act; to the Committee on the Judiciary.

Also, a bill (H. R. 9002) to amend the national prohibition act; to the Committee on the Judiciary.

Also, a bill (H. R. 9003) to reduce night work in the Postal Service; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 9004) to reduce night work in the Postal Service; to the Committee on the Post Office and Post Roads

By Mr. SINNOTT (by departmental request): A bill (H. R. 9005) to empower certain officers, agents, inspectors, or employees of the Department of the Interior to administer and take oaths, affirmations, and affidavits in certain cases, and for other purposes; to the Committee on the Public Lands.

Also (by departmental request), a bill (H. R. 9006) for the disposition of certain coastal lands in Alabama, Florida, and Mississippi, and the adjustment of claims arising from erroneous surveys; to the Committee on the Public Lands.

By Mr. DENISON: A bill (H. R. 9007) granting the consent of Congress to Harry E. Bovay to construct, maintain, and operate bridges across the Mississippi and Ohio Rivers at Cairo, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. MORIN: A bill (H. R. 9008) to validate payments for commutation of quarters, heat, light, and of rental allowances on account of dependents; to the Committee on Military Affairs.

By Mr. MOORE of Virginia: A bill (H. R. 9009) to provide for the acquisition of a site and the construction thereon of a fireproof office building or buildings for the House of Representatives; to the Committee on Public Buildings and Grounds.

By Mr. WURZBACH: A bill (H. R. 9010) for the development of the training plant for the Air Service of the United States Army at San Antonio, Tex.; to the Committee on Military Affairs.

Also, a bill (H. R. 9011) for additional construction and for improvements at Fort Sam Houston, Tex.; to the Committee on Military Affairs.

By Mr. KNUTSON: Resolution (H. Res. 122) calling upon the United States Tariff Commission to immediately report to the President of the United States its findings in the butter investigation; to the Committee on Ways and Means.

By Mr. CLAGUE: Resolution (H. Res. 123) calling upon the United States Tariff Commission to immediately report to the President of the United States its findings in the butter investigation; to the Committee on Ways and Means.

By Mr. ANDRESEN: Resolution (H. Res. 124) calling upon the United States Tariff Commission to immediately report to the President of the United States its findings in the butter investigation; to the Committee on Ways and Means.

By Mr. GOODWIN: Resolution (H. Res. 125) calling upon the United States Tariff Commission to immediately report to the President of the United States its findings in the butter investigation; to the Committee on Ways and Means.

By Mr. FURLOW: Resolution (H. Res. 126) calling upon the United States Tariff Commission to immediately report to the President of the United States its findings in the butter investigation; to the Committee on Ways and Means.

By Mr. WATRES: Resolution (H. Res. 127) requesting the Secretary of Labor to meet with the representatives of the United Mine Workers and the anthracite operators' representatives for the purpose of tendering his services as mediator; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ACKERMAN: A bill (H. R. 9012) granting a pension to Anna F. Gourlay; to the Committee on Invalid Pensions.

By Mr. BURTON: A bill (H. R. 9013) granting a pension to Bernice McLaughlin; to the Committee on Pensions.

By Mr. GARRETT of Tennessee: A bill (H. R. 9014) granting a pension to Ada Laxson; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 9015) granting an increase of pension to Mary A. Koerper; to the Committee on Invalid Pensions.

By Mr. HUDSPETH: A bill (H. R. 9016) granting a pension to Anton Aggermann; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 9017) granting an increase of pension to Martha A. McIntire; to the Committee on Invalid Pensions.

By Mr. MONTAGUE: A bill (H. R. 9018) granting an increase of pension to Martha L. E. Bromberg; to the Committee on Invalid Pensions.

By Mr. MOONEY: A bill (H. R. 9019) for the relief of Ailing R. Maish; to the Committee on Military Affairs.

By Mr. MOORE of Kentucky: A bill (H. R. 9020) granting an increase of pension to Susan J. Hendrick; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 9021) granting an increase of pension to Cathrine Martin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9022) granting a pension to Jennie W. McDanield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9023) granting an increase of pension to Mary M. Fisher; to the Committee on Invalid Pensions.

By Mr. SINNOTT: A bill (H. R. 9024) granting an increase of pension to Eliza Tobin; to the Committee on Pensions.

Also, a bill (H. R. 9025) granting an increase of pension to Mary E. Fenton Pulver; to the Committee on Invalid Pensions.

By Mr. THURSTON: A bill (H. R. 9026) granting an increase of pension to Mary J. Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9027) granting an increase of pension to Annie E. Grissom; to the Committee on Invalid Pensions.

By Mr. WHITE of Maine: A bill (H. R. 9028) granting an increase of pension to Eliza M. Sawyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9029) granting a pension to Alice R. Walter; to the Committee on Invalid Pensions.

By Mr. WINGO: A bill (H. R. 9030) for the retirement as ensign of Hampton Mitchell; to the Committee on Naval Affairs.

By Mr. WYANT (by request): A bill (H. R. 9031) for the relief of Sheindel, Morris, Zechari, and Frieda Clateman; to the Committee on Immigration and Naturalization.

By Mr. ZIHLMAN: A bill (H. R. 9032) to change the name of the trustees of St. Josephs Male Orphans Asylum and amend the act incorporating the same; to the Committee on the District of Columbia.

PETITIONS, ETC.

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

588. By Mr. BARBOUR: Resolution of the Fish and Game Commission of California urging the reflooding of Lower Klamath Lake; to the Committee on Irrigation and Reclamation.

589. By Mr. W. T. FITZGERALD: Petition of Union Council, No. 21, Daughters of America, Union City, Ind., requesting enactment of House bills 344 and 5583, providing for the naturalization and deportation and registration of aliens; to the Committee on Immigration and Naturalization.

590. By Mr. GALLIVAN: Petition of E. J. Reavey, legislative agent, Boston Lodge, No. 97, Brotherhood of Railway Trainmen, Brockton, Mass., protesting against proposed amendments to the Federal employees liability act; to the Committee on the Civil Service.

591. Also, petition of F. A. Symonds, Massachusetts legislative representative, the Locomotive Firemen of Massachusetts, protesting against proposed amendments to the Federal employees liability act; to the Committee on the Civil Service.

592. By Mr. O'CONNELL of New York: Petition of the American Enameled Brick & Tile Co. (Inc.), New York City, N. Y., favoring the passage of the Blanton bill, H. R. 3811; to the Committee on Interstate and Foreign Commerce.

593. Also, petition of the National Preservers Association (Inc.), opposing the passage of Senate bill 481 and House bill 39, which would permit the use or sale of corn sugar (dextrose) under the modified name "sugar"; to the Committee on Interstate and Foreign Commerce.

594. Also, petition of the Associated Traffic Clubs of America, favoring the passage of a law charging the Interstate Commerce Commission with the regulation of motor vehicles when engaged in interstate commerce; to the Committee on Interstate and Foreign Commerce.

595. By Mr. SWING: Petition of the Riverside Chamber of Commerce, opposing the anti-Federal aid for highways movement; to the Committee on Roads.

596. Also, petition of the Laguna Beach Chamber of Commerce, urging continuance of Federal-aid highway appropriation from Congress and increase in California allotment; to the Committee on Roads.

597. Also, petition of the California State Automobile Association, supporting continuation of Federal-aid appropriation for interstate highways; to the Committee on Roads.

598. Also, petition of Charter No. 30, Hotel Greeters of America, emphatically disapproving of the disallowance or discontinuance by the United States of America of the appropriation for good roads; to the Committee on Roads.

599. Also, petition of the Board of Supervisors of Riverside County, Calif., requesting further appropriations for Federal highway aid; to the Committee on Roads.

600. Also, petition of the Western States County Officials Association, urging continuation of the granting of Federal aid to the States in highway building; to the Committee on Roads.

601. Also, petition of the Riverside Chamber of Commerce, urging continuation of the present policy of the Federal Government in extending aid to the States for the building of highways; to the Committee on Roads.

602. Also, petition of the Redlands Chamber of Commerce, urging continuation of the present plan and policy of Federal aid in cooperation with States in building public roads; to the Committee on Roads.

603. Also, petition of the motor Carriers' Association of the State of California, unanimously indorsing the Federal-aid road plan and asking for an increased appropriation of the Federal aid from the present Congress; to the Committee on Roads.

604. Also, petition of the Orange Community Chamber of Commerce, urging continued Federal appropriations for adequate highway transportation facilities; to the Committee on Roads.