By Mr. KENNEDY of Iowa: Petition of K. K. K. Medicine Co., of Keokuk, Iowa, against a tax on proprietary medicines; to the Committee on Ways and Means.

By Mr. KENNEDY of Rhode Island: Petition of committee of wholesale liquor dealers of Rhode Island, against additional tax on rectified spirits; to the Committee on Ways and Means.

By Mr. MADDEN: Petition of citizens of Chicago, Ill., against additional tax on cigars; to the Committee on Ways and Means.

By Mr. O'SHAUNESSY: Petition of J. E. Cox, of Providence, R. I., favoring amendment to H. R. 15902; to the Committee on Printing.

By Mr. STEPHENS of Nebraska: Petition of business men of third Nebraska district, favoring H. R. 5308, to tax mail-order houses; to the Committee on Ways and Means.

SENATE.

FRIDAY, *September 11, 1914.*

(*Legislative day of Saturday, September 5, 1914.*)

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

RECORD OF CAPT. JOHN HENRY GIBBONS.

Mr. SMITH of Michigan. Mr. President, I ask unanimous consent to have printed in the RECORD the record of Capt. John Henry Gibbons, United States Navy. It is not very elaborate, but it is very important. I am sure there will be no objection to it.

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

The matter referred to is as follows:

RECORD OF JOHN HENRY GIBBONS, CAPTAIN, UNITED STATES NAVY.

Capt. John H. Gibbons was appointed to the Naval Academy as a cadet midshipman on September 18, 1875, graduating in 1879.

His first assignment to duty (1879–1881) was to the U. S. S. *Adams*, Pacific Station, where most of the cruising was spent off the coast of Peru, during the war between Peru and Chile.

In 1881 he was promoted to passed midshipman, and from this time to 1885 he was attached to the training ships *New Hampshire* and *Jamestown*, during which time the *Jamestown* made a trip around Cape Horn and other long cruises.

He was promoted to ensign (junior grade) in March, 1883, and to ensign in 1884. In 1885 he was ordered to duty at the Naval Observatory, Washington, after which, until 1888, he served as instructor of midshipmen at the Naval Academy, in the department of English, history, and law, spending the summer as instructor in navigation for midshipmen on the practice ship *Constellation*.

In 1888 he served on the U. S. S. *Mohican* and later in that year on the U. S. S. *Vandalia*, where he was commended for gallantry during the hurricane at Apia, Samoa, as shown by the following letter from the commanding officer of the *Vandalia*:

JUNE 7, 1889.

To the Hon. B. F. TRACY,
Secretary of the Navy.

SIR: Ensign John H. Gibbons, United States Navy, having been detached from the U. S. S. *Vandalia*, I have the honor to express to the department my appreciation of his uniformly good conduct and officer-like qualities. He was conspicuous for coolness and courage during the gale of March 15 and 16, 1889.

J. W. CARLIN,
Commander, U. S. S. Vandalia.

In 1890 he was transferred to the coast survey steamer *Gedney*, during which time the commanding officer addressed a letter to the Secretary of the Navy commending Lieut. Gibbons on his duty as executive and navigator of that vessel:

"Duty performed conscientiously and well. Displayed intelligence, energy, and interest in field work. Indifferent to danger, long hours, and exposure. Morals above reproach." etc.

In December, 1891, he was promoted to lieutenant (junior grade). From 1891 to 1892 he was instructor at the Naval Academy in English and law, after which, in 1892, he served as assistant inspector of ordnance at the Washington Gun Foundry, and was in charge of the manufacture of the first 5-inch rapid-fire guns and mounts built for the naval service. The report during this time, from the commandant of the Washington Navy Yard, reads:

"Very competent ordnance officer, interested in his work; ingenious."

And in a subsequent report:

"Lieut. Gibbons has been in charge of all work connected with and relating to 5-inch guns and their mounts, also work upon gunlocks, primers, and fuses. Performed his duties excellently."

And later, in 1893, from the commandant of the Washington Navy Yard:

"The duties of his position required special fitness, and this was shown by Mr. Gibbons."

In 1894 he served on the U. S. S. *Chicago* and was transferred to the U. S. S. *Raleigh* in 1895, during which time the *Raleigh* was active in suppressing filibustering off the coast of Florida and Cuba.

In February, 1896, he was promoted to lieutenant, and in 1897 was ordered as aid to the Assistant Secretary of the Navy, in which capacity he had charge of the Naval Militia, including the mobilization of the Naval Militia for service in the Spanish War and additional duties in the organization of the coast signal service. During this time the Assistant Secretary of the Navy, the honorable Theodore Roosevelt, made the following report:

"Lieut. Gibbons served in special charge of the Naval Militia during my time as Assistant Secretary of the Navy. I can not speak too highly of the excellent work that he did. His industry, courtesy, and professional capacity made him invaluable to me as an advisor, not only in relation to his particular duties, but to the general work of the office."

In 1898, at the outbreak of the Spanish War, Lieut. Gibbons was assigned to the U. S. S. *Newark*, and received the West Indian campaign medal for service on the blockade and in the bombardment of Santiago and Manzanillo. During this time Capt. Albert S. Barker, commanding the U. S. S. *Newark*, gave Lieut. Gibbons an excellent report as an officer, adding that Lieut. Gibbons was present at the bombardment of the forts at Santiago July 2, 1898, and later Capt. Goodrich, of the *Newark*, made the following report concerning Lieut. Gibbons:

"A capital officer and shipmate; has marked literary taste."

After the Spanish-American War he was transferred, in 1899, to the U. S. S. *Massachusetts;* thence, in October, 1899, to the U. S. S. *Brooklyn*, serving as navigator of the *Brooklyn* during a cruise to the Philippines. While on the *Brooklyn* he was selected to command the *General Alava* in an expedition to the Gulf of Ragay, where he rescued from the insurgents about 500 American and Spanish prisoners. For this service he received the highest commendation from the Navy Department and the commander in chief of the Asiatic Fleet upon the zeal and ability shown by him in fitting out this expedition and the excellent execution of orders. Upon returning to the *Brooklyn* he served in the Boxer campaign in China, and afterwards, for a brief period, as captain of the port in Manila. In 1901 he was ordered to the United States on the U. S. S. *Oregon*, thus completing a cruise around the world. During this time the commanding officer of the *Oregon*, Capt. Charles M. Thomas, reports that he considers Lieut. Gibbons eminently fit to be intrusted with hazardous and important independent duties.

After a brief tour of duty at Buffalo, N. Y., in charge of the branch Hydrographic Office and Recruiting Service, he was ordered, in 1901, to duty in the Office of Naval Intelligence at Washington, and received the following report from Capt. Charles D. Sigsbee, chief intelligence officer:

"Lieut. Gibbons is an excellent and very ready officer. In compiling and generalizing work he has been of great assistance to me."

In 1902 he was promoted to lieutenant commander, and in June, 1903, was assigned to the command of the U. S. S. *Dolphin*. While on this duty the *Dolphin* was awarded the trophy for excellence in naval gunnery, Lieut. Commander Gibbons receiving from the Secretary of the Navy a letter commending him on the *Dolphin* attaining the greatest rapidity of hitting and the highest final merit of any vessel of her class. The *Dolphin*, under his command, was constantly engaged in cruising along the Atlantic coast, West Indies, and Central America. During this time the Admiral of the Navy made a special report of fitness on Lieut. Commander Gibbons as being an excellent officer in every capacity, fit to be intrusted with hazardous and important independent duties. Among other important duties while under his command the *Dolphin* was detailed on special duty to convey the Japanese peace commissioners from New York to Portsmouth, N. H.

In 1905 he was detached from command of the *Dolphin* and ordered as naval attaché to London. While on this duty his reports cover every field of naval activity, and he was highly commended by the Chief Intelligence Officer, Rear Admiral R. P. Rogers, who states in his reports of fitness: "He has been a very valuable naval attaché," the remainder of his report being excellent throughout.

Among other duties performed while he was naval attaché to London were those in connection with the London naval conference and as special naval attaché to the minister of Sweden during the coronation of King Haakon, Trondjhem.

In December, 1906, he was promoted to commander, and in May, 1909, Commander Gibbons was assigned to the command of the U. S. S. *Charleston*, then on the Asiatic station, and at that time considered the most important command to which a commander was eligible. During this cruise the *Charleston* received the trophy for excellence in naval gunnery, and Commander Gibbons received a commendatory letter from the Secretary of the Navy on the efficient condition of the personnel and matériel of the U. S. S. *Charleston*, she having attained the highest final merit in elementary target practice of any vessel of her class, and Commander Gibbons was further congratulated by the commander in chief of the Pacific Fleet for excellence in gunnery at battle practice, this practice having been conducted in company with eight armored cruisers off Olongapo, P. I.

In solving a strategic problem for the Navy Department Commander Gibbons brought the *Charleston* from Yokohama by the northern route to Bremerton, Wash., in record time.

On June 9, 1910, Commander Gibbons addressed a letter to the Secretary of the Navy, as follows:

"In compliance with article 332, Navy Regulations, I respectfully request that I may be ordered to duty in command of a battleship on active service with the United States Atlantic Fleet.

"My reason for making this application is that the *Charleston* is to go out of commission in the early autumn, at which time there may possibly be vacancies in battleship commands.

"Very respectfully,

"J. H. GIBBONS,
"Commander, United States Navy, Commanding."

This request was not approved and Commander Gibbons, after his promotion to captain in October, 1910, was ordered to the General Board, he having previously placed the *Charleston* out of commission at Bremerton, Wash. While on duty with the General Board he received excellent reports from Admiral Dewey. In May, 1911, Capt. Gibbons was selected as Superintendent of the United States Naval Academy, and while on this duty his administration received the highest commendation from the Navy Department and the Board of Visitors. The following are extracts from the report of the Board of Visitors to the United States Naval Academy, 1911:

"Capt. John H. Gibbons, United States Navy, who assumed the office of superintendent on May 15, is splendidly equipped for this difficult and responsible position, and will undoubtedly maintain the present high standing of the academy during his term of service."

In 1912, after he had served as superintendent for one year, the following report was made by the Board of Visitors:

"The discipline and conduct of the midshipmen has been remarkably good and deserves special mention and commendation.

"The board was especially gratified to find all the officers, professors, instructors, and midshipmen working in perfect accord and harmony.

"The academy is in a prosperous and flourishing condition," etc.

And in 1913, the Board of Visitors made the following report:

"The administration of the affairs of the Academy, under the superintendence of Capt. John H. Gibbons, United States Navy, deserves more than passing commendation. It is apparent that all the departments have been brought to a high degree of efficiency, that due emphasis has been laid on the practical as contrasted with the theoretical side of instruction, and that the earnestness and fair-mindedness of the officers detailed to the academy is reflected in the spirit displayed by the midshipmen. Admirable discipline prevails, and the impression made upon the board is that the midshipmen are in good physical condition and happy in their work. It is evident that Capt. Gibbons and the officers and professors under him keep constantly in view the basic

fact that the academy is an institution for the training of officers according to the best traditions of the United States Navy, and that the service attracts the right class of boys," etc.

In addition to the high standard of efficiency maintained and the improvements made during the superintendence of Capt. Gibbons at the Naval Academy, the post-graduate class was thoroughly established along lines which will in the future add materially to the efficiency of the Navy commissioned personnel; and the war college extension course was initiated by Capt. Gibbons for the officers attached to the United States Naval Academy.

At the termination of this tour of duty Capt. Gibbons received the following commendatory letter from the Secretary of the Navy:

FEBRUARY 26, 1914.

To: Capt. J. H. Gibbons, United States Navy,
Commanding U. S. S. Louisiana.

Subject: Report of condition of efficiency at Naval Academy.

1. The following letter addressed by Capt. W. F. Fullam, United States Navy, to the Secretary of the Navy is quoted for your information:

"I deem it my duty to report to the department, after careful investigation, that I find an exceptional condition of efficiency in every department of this academy; and that the moral tone and the standard of duty and honor of officers, instructors, and midshipmen are most commendable in every respect, reflecting well-merited credit upon the administration of my predecessor, Capt. J. H. Gibbons, United States Navy."

2. The department is pleased to inform you that it agrees with the above-quoted opinion of Capt. Fullam.

JOSEPHUS DANIELS.

In February, 1914, Capt. Gibbons was detached from duty at the Naval Academy and ordered to command the U. S. S. *Louisiana*, then in West Indian waters. At the outbreak of the trouble in Mexico Capt. Gibbons took the *Louisiana* from New York to Vera Cruz, where he was tranferred to the command of the dreadnought *Utah*, and was sent ashore immediately in command of the first regiment of seamen, taking part in the occupation of Vera Cruz.

The following is an extract from the report of Capt. W. R. Rush, brigade commander, to Rear Admiral F. F. Fletcher, commanding naval forces on shore at Vera Cruz:

"All officers of the command distinguished themselves by zeal, devotion to duty, and intelligent action, and in accordance with R 1630, United States Navy Regulations, 1913, I specially commend to your notice the regimental commanders and the officers of my staff. The intelligence and moral cooperation of these officers made possible the successful and prompt execution of your instructions, and is deserving of special recommendation: Lieut. Commander Allen Buchanan, chief of staff; Lieut. Gerald Howze, brigade adjutant; Lieut. (Junior Grade) Francis Cogswell, aid and intelligence officer; Ensign Edward O. McDonnell, aid and brigade signal officer; Surg. James C. Pryor, brigade surgeon; Paymaster E. F. Hall, brigade quartermaster and commissary; Capt. John H. Gibbons, commanding First Regiment; Capt. A. P. Niblack, commanding Third Regiment; Capt. E. Simpson, commanding Third Regiment; Capt. E. A. Anderson, commanding Second Regiment; Col. J. A. Lejeune; Lieut. Col. W. C. Neville."

In this connection the following extract from division order of Rear Admiral F. F. Fletcher is quoted:

"HEADQUARTERS UNITED STATES NAVAL FORCES ON SHORE,
"Vera Cruz, Mexico, April 30, 1914.

"In withdrawing my command from Vera Cruz, I wish to extend to the officers and men who took part in the occupation my deepest appreciation of their gallant conduct and spirit. * * * The officers and men of the naval forces deserve the highest commendation for having done this work completely and having done it well."

While in command of the *Louisiana* and *Utah* the reports by Capt. Gibbons's immediate superiors were highly commendatory. The *Utah* was ordered to New York for docking and overhaul in June, 1914. The board of inspection on the *Utah* made a favorable report on her condition.

On July 1, 1914, Capt. Gibbons was detached from command of the *Utah* and placed on the retired list as the result of the recommendation of the Board of Selection for Retirement.

During a long and varied career of 35 years Capt. Gibbons never made application for any duty other than sea service, the Navy Department presumably having his special fitness and the efficiency of the service in view, selecting him for many important positions at sea and on shore, which he filled to the satisfaction of his superiors, always receiving their highest commendation.

At the time of his detachment from command of the *Utah* he had in all 18 years and 4 months sea service, and if he had been continued in command of the Utah he would have had, upon arriving at the rank of rear admiral, more sea service while a captain in command of a dreadnought than any officer who has up to the present time reached the rank of rear admiral.

The record of Capt. Gibbons from the time he was appointed as a midshipman at the Naval Academy until the date of his retirement is excellent in every particular. All duties have been performed by him in a most efficient manner, and he is to-day considered by the Navy one of its most distinguished officers.

It is generally conceded that war is the crucial test of the military efficiency of an officer in the United States Navy; and if this be the test of efficiency, Capt. Gibbons stands out preeminently as an officer who has served with distinction in the Spanish War, Philippine campaign, Boxer rebellion in China, and at Vera Cruz.

PUBLIC BUILDING AT VINELAND, N. J.

Mr. MARTINE of New Jersey. Mr. President, may I ask out of order to introduce a little bill by unanimous consent? The bill refers to the purchase of a post-office site in Vineland, N. J. I will just state that the authorities advertised for a site suitable for a post office. They received but two bids. The statute, I believe, requires that a post-office site shall open on streets upon at least two sides. They found that one of the applicants had a site opening on streets upon two sides, but it was in a most unheard-of part of the city and not at all desirable. The other is a much larger plat and can be purchased for much less money, and it is in the center of the town. This bill simply provides that the Treasury Department may cause that site to be selected. A similar bill has passed the House unanimously.

Mr. SMOOT. Vineland, N. J., is a city with a population of more than 10,000?

Mr. MARTINE of New Jersey. I can not state just what is the population of Vineland, but I think it is more than 10,000.

Mr. SMOOT. Of course, then, that provision of the law would apply to it.

Mr. MARTINE of New Jersey. A similar bill has passed the House unanimously.

Mr. SMOOT. Does the Senator report this bill from the committee?

Mr. MARTINE of New Jersey. I introduce it.

Mr. SMOOT. It is only a bill to be referred?

Mr. MARTINE of New Jersey. That is all. I ask that it may be referred to the Committee on Public Buildings and Grounds.

The bill (S. 6480) authorizing the Secretary of the Treasury to disregard section 33 of the public buildings act of March 4, 1913, as to site at Vineland, N. J., was read twice by its title and referred to the Committee on Public Buildings and Grounds.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I believe we can get to business much more quickly if we secure the presence of a quorum. I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Hughes	Perkins	Smith, Mich.
Bankhead	Jones	Poindexter	Smoot
Brady	Kenyon	Pomerene	Sterling
Bryan	Kern	Ransdell	Stone
Burton	Lane	Reed	Swanson
Camden	Lea, Tenn.	Robinson	Thornton
Chamberlain	Lee, Md.	Shafroth	Vardaman
Clapp	McLean	Sheppard	West
Gallinger	Martine, N. J.	Simmons	White
Goff	Page	Smith, Ga.	Williams

Mr. THORNTON. I desire to announce the necessary absence of the junior Senator from New York [Mr. O'GORMAN] and that he is paired with the senior Senator from New Hampshire [Mr. GALLINGER]. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of the absent Senators, and Mr. MCCUMBER, Mr. NORRIS, Mr. OVERMAN, Mr. SAULSBURY, and Mr. THOMAS answered to their names when called.

Mr. CULBERSON, Mr. NELSON, Mr. CRAWFORD, and Mr. THOMPSON entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The Senate resumes the consideration of Senate bill 6398.

AMENDMENT OF NATIONAL BANKING LAWS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6398) to amend section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws."

The VICE PRESIDENT. The pending question is on the amendment offered by the Senator from Georgia [Mr. SMITH].

Mr. SHAFROTH obtained the floor.

Mr. MCLEAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Connecticut?

Mr. SHAFROTH. I yield.

IMPROVEMENT OF STAMFORD HARBOR, CONN.

Mr. MCLEAN. If the Senator from Colorado will yield to me for a moment, I desire to ask unanimous consent to have printed in the RECORD a communication received from the Stamford Improvement Association. It relates to a pending amendment to the river and harbor bill.

I also ask to have printed in the RECORD a letter from the Secretary of War, dated July 20, relating to this matter, and the report of the Board of Engineers for Rivers and Harbors relating to this proposed harbor improvement.

I will state that my reason for doing this is due to the fact that the report of the committee on the bill was printed June 18 and the letter from the Secretary of War and the report of the board of engineers were not issued until June 30.

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

The matter referred to is as follows:

THE STAMFORD HARBOR IMPROVEMENT ASSOCIATION,
Stamford, Conn., September 5, 1914.

Hon. G. P. MCLEAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR:

* * * * * * *

In regard to the deepening of the harbor, we would state the following as reasons for our desire to have the waterway deepened:

Many of the vessels of small size which have been coming to Stamford during the past 20 years have been either wrecked or gone out of commission, and the vessels which would come here are much larger, many of them drawing from 14 to 19 feet of water. These vessels can not come now to our wharves at any high tide. During the past year in our own business we have been obliged to either lighter or have shipped by rail merchandise that would come directly to our wharves if we had 12 feet of water at low tide. This lightering and reshipment of lumber from New York or, in some cases, from New London, adds to the cost about $2 per 1,000 feet. The commerce of Stamford by water under the existing conditions shows a substantial increase yearly, but the increase of receipts by rail, owing to the fact that large quantities of material are brought to New York Harbor and then shipped by rail from Harlem River to Stamford, is greater. The lumber that we have to have either lightered or shipped by rail from New York is largely southern pine, and the opening of the Panama Canal will greatly increase the amount of lumber that will have to be lightered or shipped by rail from New York.

We now have two lines of daily steamers from New York to Stamford. The present depth, being approximately 9 feet at mean low tide, is very often under certain conditions much less than 9 feet at low tide. Our daily steamers draw, when loaded, about 8 feet of water, and at certain conditions of the tide these steamers are delayed and can not get up to their wharves at low tide.

Then, again, there are large quantities of coal and other material that are shipped here by canal boats and barges. On account of the towboats drawing 9 to 12 feet of water, they are obliged to bring these barges up at high tide and often necessitate delay and increased cost of towing charges on account of the delay in waiting for tide.

We are very sorry that the report of the engineers on the survey of the Stamford Harbor was not received in time to have their recommendations added to the House river and harbor bill, and we hope that your efforts in regard to having the amendment added to the Senate bill will be successful. We can assure you that everybody in Stamford will be interested in your efforts to get this amendment through. Hoping that your appeal to the chairman of the committee will be successful, and with regards, I remain,

Very sincerely, yours,

WM. H. JUDD,
Secretary the Stamford Harbor Improvement Association.

STAMFORD HARBOR, CONN.

Letter from the Secretary of War transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Stamford Harbor, Conn., with a view to securing increased depth and removal of obstructions to navigation.

WAR DEPARTMENT,
Washington, July 20, 1914.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith a letter from the Chief of Engineers, United States Army, dated July 17, instant, together with copies of reports from Maj. G. B. Pillsbury, Corps of Engineers, dated May 21, 1913, April 8, 1914, and June 5, 1914, with map, upon a preliminary examination, survey, and supplemental report on survey, respectively, of Stamford Harbor, Conn., made by him in compliance with the provisions of the river and harbor act approved March 4, 1913.

Very respectfully,

HENRY BRECKINRIDGE,
Assistant Secretary of War.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, July 17, 1914.

From: The Chief of Engineers, United States Army.
To: The Secretary of War.
Subject: Preliminary examination and survey of Stamford Harbor, Conn.

1. There are submitted herewith, for transmission to Congress, reports dated May 21, 1913, April 8, 1914, and June 5, 1914, with map, by Maj. G. B. Pillsbury, Corps of Engineers, on preliminary examination, survey, and supplemental report on survey, respectively, of Stamford Harbor, Conn., with a view to securing increased depth and removal of obstructions to navigation, authorized by the river and harbor act approved March 4, 1913.

2. Stamford Harbor is on the north shore of Long Island Sound, about 21 miles southwest of Bridgeport Harbor. The existing project for its improvement provides for a channel in the West Branch 7 feet deep and 150 feet wide, with a basin of the same depth to the limits of the harbor lines at the head of the channel, a channel in the East Branch 9 feet deep and 100 feet wide except near the head, where for a distance of 1,150 feet the width varies from 80 to 125 feet. The district officer states that since the existing project was adopted, in 1892, the draft of vessels employed in the local commerce of Long Island Sound has considerably increased, and the depth of this waterway is no longer sufficient for the most convenient and economic delivery of freight. To meet the needs of commerce and navigation he recommends the following improvements:

East Branch, channel 12 feet deep and from 85 to 125 feet wide	$116,000
West Branch, channel and basin 9 feet deep and 150 feet wide, following proposed new alignment	52,000
Entrance channel, 12 feet deep and 200 feet wide	19,000
	187,000

The division engineer concurs in general with the views of the district officer, but favors a width of 200 feet through the basin at the upper end of the West Branch Channel, at an additional cost of $4,686.

3. These reports have been referred, as required by law, to the Board of Engineers for Rivers and Harbors, and attention is invited to its report herewith, dated June 30, 1914. The board concurs with the district officer and the division engineer regarding the work proposed in the entrance channel and the East Branch, but it believes that it is advisable to provide in the West Branch a width of 100 feet in the channel and 200 feet in the basin, the total estimate of cost of the plan as thus modified being $183,000.

4. After due consideration of the above-mentioned reports, I concur with the views of the Board of Engineers for Rivers and Harbors, and therefore report that the further improvement by the United States of Stamford Harbor, Conn., is deemed advisable to the extent of providing an entrance channel 12 feet deep at mean low water and 200 feet wide, a channel in the East Branch 12 feet deep at mean low water and from 85 to 125 feet wide, and a channel in the West Branch 9 feet deep at mean low water and 100 feet wide, following the new alignment, with a basin at the head of the same depth and 200 feet wide, approximately as shown on the accompanying map, at a total estimated cost of $183,000 for first construction and $5,000 annually for maintenance; provided that no expense shall be incurred by the United States for acquiring any lands required for the purpose of this improvement. The full amount of the estimate should be provided in one appropriation.

DAN C. KINGMAN,
Chief of Engineers, United States Army.

[Third indorsement.]

THE BOARD OF ENGINEERS FOR RIVERS AND HARBORS,
June 30, 1914.

To the CHIEF OF ENGINEERS, UNITED STATES ARMY:

1. The following is in review of the district officer's reports on preliminary examination and survey of Stamford Harbor, Conn., with a view to securing increased depth and removal of obstructions to navigation, called for by the act of March 4, 1913.

2. The existing project for Stamford Harbor, adopted in 1892, as modified in 1901 and completed in 1911, provides for a channel in the West Branch 7 feet deep and 150 feet wide, with a turning basin of the same depth at the head of the channel, and for a channel in the East Branch 9 feet deep and from 80 to 125 feet wide. The mean rise of the tide is about 7.4 feet.

3. Stamford is a prosperous manufacturing town with a population of about 25,000. The commerce in recent years has ranged from about 165,000 to 217,000 tons in the East Branch and 67,000 to 95,000 tons in the West Branch, making a total of 260,000 to 300,000 tons, having a value of about $12,000,000 to $15,000,000.

4. Since the adoption of the present project the draft of vessels employed in the local commerce on Long Island Sound has increased considerably, and the depth now available is insufficient for the convenient and economical delivery of freight. The draft of the steamers regularly running to this harbor is about 8.5 feet, and as the tide falls below the mean level frequently from 1.5 feet to 3 feet, delays are experienced through lack of depth. Coal is the principal article of commerce, and the larger coal barges are unable to berth in the East Branch, and only comparatively small barges can be used in the West Branch. Those interested desire an increase in depth to 12 feet. This is practicable in the East Branch, but in the West Branch the channel is underlaid with rock, and the greatest depth that can be economically secured there is 9 feet.

5. The estimates submitted by the district officer in his original report of survey and in a supplemental report requested by the board are as follows for the various plans of improvement indicated on the maps:

East Branch, 12 feet deep and from 85 to 125 feet wide, with widening at bends	$116,000
West Branch, basin at head of channel about 1,475 feet long:	
A_1, 9 feet deep and 150 feet wide	14,762
A_2, 9 feet deep and 200 feet wide	19,440
A_3, 9 feet deep and 250 feet wide	23,485
West Branch Channel, exclusive of basin:	
B_1, 9 feet deep and 100 feet wide, following present alignment	19,333
B_2, 9 feet deep and 100 feet wide, following new alignment	28,222
9 feet deep and 150 feet wide, following present alignment	24,800
9 feet deep and 150 feet wide, following new alignment	36,821
Entrance channel, 12 feet deep and 200 feet wide	19,000

6. The plan of improvement proposed by the district officer provides for a channel 12 feet deep and from 85 to 125 feet wide in the East Branch, with a moderate widening at bends; a channel 9 feet deep and 150 feet wide in the West Branch, including the basin, with some straightening of alignment and widening at the bends; and an entrance channel 12 feet deep and 200 feet wide, at a total estimated cost of $187,000 for first construction and $5,000 annually for maintenance. It is expected that a considerable reduction in freight rates would result from the improvement now contemplated. The district officer is of opinion that the locality is worthy of additional improvement to the extent outlined above. The division engineer concurs in general with the district officer, but recommends an increase of width in the West Branch Basin to 200 feet, at an additional cost of $4,686. He invites attention to the fact that Stamford Harbor is one of the places where it is evident that vessels navigating the New York State Canal will have to be accommodated, and this calls for a depth of 12 feet.

7. From the information now in hand it appears that the project depth, adopted more than 20 years ago, is insufficient to meet the present needs of navigation. The desired depth of 12 feet can be provided in the East Branch at a cost that seems reasonable when compared with probable resulting benefits, but underlying rock in the West Branch limits the improvement that is economically justifiable there at this time to a depth of 9 feet. After careful consideration of the different plans of improvement estimated for the West Branch, the board is of opinion that the most advantageous one, in view of the cost and the resulting benefits, is a channel 100 feet wide, following the new alignment, and a basin 200 feet wide. The entrance channel proposed by the district officer is recommended for approval. The board therefore reports that in its opinion it is advisable for the United States to provide an entrance channel 12 feet deep and 200 feet wide; a channel in the East Branch 12 feet deep and 100 feet wide, with increased width at the turns, to a point about 1,100 feet from the head of navigation, thence of the same depth and from 85 to 125 feet wide to the head of navigation; a channel in the West Branch 9 feet deep and 100 feet wide, following the new alignment, and a basin 200 feet wide at its head, approximately as shown on the accompanying map, at a total estimated cost of $183,000 for first

construction and $5,000 annually for maintenance; provided that no expense shall be incurred by the United States for acquiring any lands required for the purpose of this improvement. The entire amount of the estimate should be made available in one appropriation.

8. In compliance with law, the board reports that there are no questions of terminal facilities, water power, or other subjects so related to the project proposed that they may be coordinated therewith to lessen the cost and compensate the Government for expenditures made in the interests of navigation.

For the board:

W. M. BLACK,
Colonel, Corps of Engineers,
Senior Member of the Board.

AMENDMENT OF NATIONAL BANKING LAWS.

Mr. SHEPPARD. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Texas?

Mr. SHAFROTH. For what purpose?

Mr. SHEPPARD. To present a resolution of the Texas Legislature.

Mr. SHAFROTH. All right.

Mr. SHEPPARD. I ask to have a resolution of the Texas Legislature on this same general subject printed in the RECORD.

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

The matter referred to is as follows:

Concurrent resolution 1, indorsing amendment of national-bank laws.
By Tillotson.

Whereas the precipitation of the great European war at this time has so restricted normal international trade movements as to seriously threaten demoralization in the price of certain commodities which ordinarily seek a market at this season; and

Whereas the State of Texas, which produces almost one-third of the cotton crop of the country, is in imminent danger of tremendous loss in the intrinsic value of its cotton crop of 1914, unless adequate financial provision is made for the surplus cotton coming on the market to be held for a reasonable time and judiciously marketed upon a basis approximating its real value; and

Whereas there are more than 248 banking institutions in Texas operating under State charters and having a capital and surplus which conform to the requirements of the Aldrich-Vreeland emergency currency act for national banks: Therefore be it

Resolved, by the Legislature of the State of Texas (both houses concurring), That we commend to the earnest consideration of the Federal Government and of the Congress such legal provision as will make banking institutions operating under State charters and capable of complying with the terms and conditions of national-bank laws, eligible to membership in the national currency associations now being perfected under the Aldrich-Vreeland Act by extending the time within which they may join such associations at least 60 days from August, 1914, to the end that the resources and credit of these institutions may contribute to the relief of the situation confronting the cotton-producing States.

Resolved, That we commend the plan advanced to make the receipts to be issued for cotton stored in the emergency warehouses proposed to be established under national supervision acceptable collateral to a reasonable and judicious amount to secure the issuance of emergency currency; and we urge upon the Congress the advisability of extending equal recognition to receipts for cotton when stored in warehouses under adequate State supervision.

Resolved, That in view of the fact that comparatively few banks in the Southern States carry among their securities bonds of the classes required as security for the issuance of emergency currency, practically resulting in the limitation of the issue of such emergency to the 30 per cent which the law now authorizes to be issued on commercial paper, we commend to the consideration of the Congress the urgent importance of amending the Aldrich-Vreeland Act to permit such increased issue of emergency currency on the security of commercial paper as may be deemed consistent with sound financial policy, which amount we believe could conservatively be placed at a minimum of 75 per cent of the sum to which the eligible banks are entitled under the law.

Resolved, That a copy of these resolutions be forwarded to the President of the United States, Hon. Woodrow Wilson; to Hon. W. G. McAdoo, Secretary of the Treasury; and to the Texas delegation in Congress.

CHARLES H. TERRELL,
Speaker of the House.
ROBT. L. WARREN,
President pro tempore of the Senate.

REPORTS OF COMMITTEES.

Mr. NORRIS. I ask unanimous consent out of order to submit a report from the Committee on Public Lands.

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

Mr. NORRIS, from the Committee on Public Lands, to which was referred the joint resolution (S. J. Res. 180) to determine the rights of the State of Nebraska and its citizens to the beneficial use of waters stored in the North Platte River by the Pathfinder Dam, reported it without amendment (S. Rept. 787).

Mr. SHEPPARD. I wish to report favorably three bills from the Committee on Commerce.

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

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

H. R. 16346. An act to amend section 4131 of the Revised Statutes of the United States of America, as amended by the act of Congress approved May 28, 1896, relating to the renewal of licenses (S. Rept. 783);

H. R. 17267. An act to authorize Frank H. Gardiner to construct a bridge across the waters of Pistakee Lake and Nippersink Lake at or near their point of intersection (S. Rept. 782); and

H. R. 17825. An act to authorize the construction, maintenance, and operation of a bridge across the St. Francis River at or near St. Francis, Ark. (S. Rept. 784).

PENSIONS TO SURVIVORS OF INDIAN WARS.

Mr. BRADY submitted an amendment intended to be proposed by him to the bill (H. R. 15402) to pension the survivors of certain Indian wars, from 1865 to January, 1891, inclusive, and for other purposes, which was referred to the Committee on Pensions and ordered to be printed.

The VICE PRESIDENT. The morning business is closed.

WAR'S EFFECT ON SILVER.

Mr. THOMAS. I ask unanimous consent to have inserted in the RECORD a short article entitled "War's effect on silver, or the probable influence of present conditions on coinage of the cheaper metal," which was published in the New York Sun on the 31st day of last August.

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

The matter referred to is as follows:

WAR'S EFFECT ON SILVER—PROBABLE INFLUENCE OF PRESENT CONDITIONS ON COINAGE OF THE CHEAPER METAL.

There is little doubt that out of the present Pan-European war will grow not a few changes in banking practices and probably some of broad economic purpose. One result that is of peculiar interest to the United States as the producer of from 25 to 30 per cent of the total annual silver supply of the world may quite safely be counted upon, namely, an increased consumption of the white metal in coinage. And with this enlarged demand, coupled with the natural growth of the needs of the silversmith, may come a permanently higher level of prices for silver, which, in its train, is suggestive of even more interesting possibilities.

With the great dislocation of all exchange and other monetary operations that occurred the instant war became inevitable between nearly half a dozen of the leading nations of Europe, Great Britain became conscious of her deficiency in circulating media other than gold. The Government at once entered the market as a purchaser of silver for coinage and more or less arbitrarily fixed the price, though, it must be confessed, with a decent regard for conditions as they might have been in normal times. The French Government, which in late years has added but modestly to its silver coins, prepared to increase its coinage within a few weeks more than 60 per cent of the normal. Our own Treasury made some liberal purchases for the mint, this, however, rather with a view to assisting the mining industry, temporarily deprived of the export market, than to add to our volume of currency, as for that purpose we immediately resorted to the Vreeland-Aldrich emergency bank notes. But in the case of the United Kingdom, its large purchases of silver after the war began obviously were to swell the amount of "moneys" available for retail trade and coincidentally to lessen the demand for gold for circulation.

In modern banking the great and most efficient function of gold is to furnish bank reserves against which credits may be extended to business. A gold dollar in a man's pocket merely has the potency of buying a dollar's worth of goods. A paper or silver dollar would do as well. But a gold dollar in bank vaults is the basis for three or four dollars of credit to the producer or manufacturer or distributor in his trade fructifying operations. For months prior to the war Germany's financiers had recognized the advisability of garnering as much of the yellow metal in bank reserves as possible. The Reichsbank had begun systematically to use methods for displacing gold with silver and paper notes in the circulating media and drawing the metal of redemption to its coffers. A year ago Sir Edward Holden, one of Britain's foremost financiers, was preaching the doctrine of strengthening the gold reserves of the joint-stock banks as a second line of support to the Bank of England, and a committee of British bankers for some time has been seeking out plans by which this could be accomplished with the minimum of disturbance to the money market. These two movements may have had some reference to the possibility of such a war conflict as has now been precipitated, but a strong economic necessity inspired them, for the trade expansion of the world had been inflating note and deposit obligations at a far faster ratio than redemption money was accumulating in the sources of credit.

The larger the proportion of gold in bank as compared with the amount in the hands of the public the better the central institution of any banking system can handle any financial emergency. Under the new Federal reserve system the position of the United States will be peculiarly strong in this respect. The most complete statistics of the stocks of money in the world admittedly are those compiled by the United States Mint authorities. For broad considerations the latest data of this character are of December 31, 1912. The banks and Treasury of this country then held nearly one thousand five hundred millions in gold, while three hundred and eighty-five millions were in circulation. On the same date Russia had six hundred and forty-six millions banked, with three hundred and fifty-four millions circulating. But in Germany the amount of banked gold was only two hundred and thirteen and one-half millions, against six hundred and fifty millions in circulation. The banks of the United Kingdom held three hundred and ninety-five millions, while nearly as much (three hundred and thirty-six millions) was in constant use by the people. In the last year and a half the German Reichsbank has added about one hundred and forty-five millions to its gold holdings. Otherwise there is no reason to suppose that the proportions have materially changed since the mint figures were exhaustively compiled. Therefore a large field exists for magnetizing reserve money in Germany and Great Britain into bank vaults and supplying a substitute for circulation uses.

In connection with this phase of the subject it is suggestive to compare the silver circulation of the principal European countries. Still following the mint authorities we find that the amounts per capita for the nations whose total circulation (gold, silver, and paper) is above $15 a head, vary as follows: France, $10.38; Spain, $8.89; Belgium, $5.73; Netherlands, $4.83; Switzerland, $4.16; Germany, $4.03; Denmark, $2.92; the United Kingdom, $2.57. These figures compare with $5.61

as the per capita silver circulation in the United States. Great Britain stands at the foot of the European column of nations in the class defined. Even Austria-Hungary, whose total supply of money falls below $15 a head, has a larger silver volume to the individual than Great Britain, namely, $3.07. Difficult as it is to fix the so-called "saturation point" in silver circulation, except by actual test, it is not unsafe to assume that the figures just given leave a considerable margin for the injection of a larger amount of silver in the currency of the principal countries of Europe.

In time of peace the means used by Germany and Great Britain to carry out their purpose of strengthening banking gold reserves would have involved, it is reasonable to suppose, an increased coinage of silver for currency purposes. The experience of war's financial demoralization assuredly will stimulate the movement when peace is restored and reconstructive measures are in order. It is not necessary to assume that any other than existing gold-standard banking systems would have survived the shock of Europe's frantic leap to arms. But in any emergency or crisis the convenience of the public is certainly better facilitated where a large silver supply is outstanding than where it is otherwise. The metal has an intrinsic value which paper has not; our own dollar contains pure silver of a commercial worth of nearly one-half the nominal value of the coin. Excepting England and Russia, no such extent of gold reserve is required legally in any country; in most cases bank notes rest mainly on cash in general and assets. And as for the world's total mass of note and deposit obligations, it is a generous estimate to say that the world's banks hold only 15 per cent in gold with which to redeem them In countries where the monetary stock is too greatly diluted with paper, both silver and gold are hidden away when hoarding begins in times of trouble. But in countries which are strictly on the gold-standard basis it is only gold that is hoarded. The exception would be when a universal currency famine was feared, but such an experience as that of the United States in 1907 would be impossible except where a banking and currency system existed as bad as ours was then. Hence, a large supply of a currency like silver, even though it is intrinsically inferior to gold, is an economic advantage in times of stress, even in a crisis of an ordinary war. If our premises are correct, therefore, we may reasonably expect to see in the future a general tendency to enlarge the world's circulation of silver.

How great will be the demand from the mints resulting from this must be a matter of conjecture.

JAMES S. H. UMSTED.

NEW YORK, *August 29.*

AMENDMENT OF NATIONAL BANKING LAWS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6398) to amend section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws."

Mr. SHAFROTH. Mr. President, I understand the amendment now pending is that of the Senator from Georgia [Mr. SMITH], and it proposes to add an additional section to the bill which is now before the Senate, to be numbered section 2, as follows:

SEC. 2. That the provisions and benefits of the act approved May 30, 1908, known as the Vreeland-Aldrich Act, and the amendments thereto, are hereby extended to all State banks and trust companies having a capital stock of not less than $25,000 and a surplus of 20 per cent. Said banks and trust companies shall be required to pay upon notes so issued the tax provided for in said act as amended, and said notes shall not be subject to the provisions of the act of Congress approved February 8, 1875, entitled "An act to amend existing customs and internal revenue laws, and for other purposes." The Secretary of the Treasury is hereby directed to make such rules and regulations as are necessary for the purpose of carrying out the foregoing provision.

Mr. President, the bill which is offered simply provides for one amendment to the Aldrich-Vreeland Act, and that is to increase the quantity of commercial paper that can be hypothecated upon which notes under that act may be issued, from 30 per cent to 75 per cent. This amendment relates to an entirely different subject. It goes into the proposition as to whether State banks should become parties to the provisions of the Aldrich-Vreeland Act. It is an entirely different matter, has not received the consideration of the committee, has only been printed this morning, and it seems to me that it should not be adopted.

I submit, Mr. President, that in the building up of our national banking system the most careful thought of the Secretaries of the Treasury and of the committees of both Houses of Congress has been given, and there has been consummated the most perfect banking system so far as individual banks are concerned that the world has ever known. It has been done, not hastily, but in a series of years, the perfecting going on after experimentation and after all the matters which have been presented have been tried.

Mr. President, if we open the doors to the State banks to come in under the Aldrich-Vreeland Act we will meet with many inconsistencies. The Aldrich-Vreeland Act applies only to national banks and not to State banks. The Treasury Department has complete control of the national banks. The laws have required that reports shall be made so that instantly the Secretary of the Treasury or the Comptroller of the Currency can ascertain and determine whether a bank is solvent or whether it is involved in any difficulties. Those reports give the amount of the capital stock; they give the amount of the deposits; and they classify the loans. Consequently the Treasury Department is in perfect command of the situation and able to decide whether or not a given national bank is solvent. The law also provides not only for the reports but for many other things.

In the first place there is a provision in the Federal law as to national banks that whenever it is deemed necessary to have an assessment made the department at Washington can order it. It has no such control over the State banks. It can not order an assessment to be made on the stockholders of the State banks.

Besides that, the national bank act requires a certain reserve to be kept, a large reserve, not on the capital stock or surplus of the bank, but on the amount of the deposits. In the case of country banks it was, up to the time of the adoption of the Federal reserve act, 15 per cent. Fifteen per cent of what? Of the deposits. Ordinarily a bank with $100,000 capital will have a million dollars of deposits. Consequently it has been necessary for such a bank to keep in reserve $150,000 more than its capital stock. The States have various regulations upon the subject; the regulations of no two States, probably, are alike. Consequently whether these reserves are kept intact or whether they are waived by some official or whether the bank is taking the chances of not having the State examiner check them up upon it, the Treasury Department can not determine. Consequently they are at sea as to whether or not the bank is solvent except on the question of the general reputation of the bank.

Now, as to the joining of State banks with the Federal system, there is required under the Aldrich-Vreeland Act that there shall be a currency association of national banks consisting of not less than 10 banks, having a combined capital and surplus of not less than $5,000,000. When you come to the question of State banks going into the system there will immediately be dissentions as to whether the national banks should consent to their doing so. If they do consent to it it is problematical whether or not the State banks, which in some of the States are so great and so powerful that they have more capital and more deposits than have the national banks, will not dominate the association. This shows that the systems do not fit each other. So it seems to me that they ought not to be amalgamated under the Aldrich-Vreeland Act.

A question was raised by the Senator from Ohio the other day which makes it very doubtful whether the State banks of many States can enter the system even if they wish to do so. In shaping the Federal reserve act of last December the question was raised as to whether the State banks could under the laws of the States enter the Federal reserve system. For that reason a longer time was given for them to enter the system, so that if it were necessary in their States to get through a legislative act permitting them to come into the Federal reserve system they could do so.

Every State has restrictions upon its State banks as to what they can do. It gives them a charter under the general law, but that general law is very strict as to what kinds of associations they can enter. The currency associations guarantee the paper of the member banks. I very much doubt whether many States in the Union permit the members of an association of that kind to guarantee the paper of another bank. For that reason, it seems to me, we will have great difficulty in ascertaining the fact as to whether the Aldrich-Vreeland system could be entered by a State bank.

I think these questions ought to be investigated. I do not approve of presenting an amendment of so important a character as this and in acting upon it without study and without examination. It seems to me that that is wrong.

Mr. SWANSON. Mr. President, will the Senator from Colorado permit me to make a suggestion?

Mr. SHAFROTH. Yes, sir.

Mr. SWANSON. I have great confidence in the Banking and Currency Committee, in their painstaking investigations, in their knowledge, and in their judgment of financial questions. In the act approved on the 4th of August last, which was concurred in by the members of the Banking and Currency Committee and is law to-day, there is this provision:

Provided further, That the Secretary of the Treasury, in his discretion, is further authorized to extend the benefits of this act to all qualified State banks and trust companies which have joined the Federal reserve system or which may contract to join within 15 days after the passage of this act.

Mr. SHAFROTH. Mr. President, in the first place, I do not want to admit the premise of the Senator from Virginia. That provision never was referred to the committee; it was an amendment which was proposed without any consideration whatever of the committee.

Mr. SWANSON. It was accepted in the other House and in the Senate; it was fully considered; it is the law to-day; and it would be operative except for one thing. It did not repeal

the 10 per cent tax upon the issue of State banks, and on account of the imposition of that 10 per cent tax upon the issue of State banks the law was inoperative.

Last Friday, when this matter was before the Senate, I suggested to the Banking and Currency Committee to examine the question and determine whether they really intended to give to the State banks the benefit of the law which has been enacted. If it is their intention to give effect to that law, why should they not remove the only impediment that has prevented them from availing themselves of it. So I introduced and had put into the RECORD, and it has been since printed, an amendment simply reaffirming the provision to which I have referred as a part of the pending bill, extending the time to 30 days and repealing the 10 per cent tax upon the issues of State banks. Under this provision the State bank can express a willingness within 30 days to join the Federal reserve system; and if they express such a willingness within 30 days and join the Federal reserve system, why should they not have the privileges of other banks in securing emergency currency?

Mr. SHAFROTH. Mr. President, I wish to say that that is not the amendment now before the Senate, and I desire to discuss the amendments as they come up. When the amendment to which the Senator from Virginia refers does arise, I will have something to say with relation to it.

Mr. SMITH of Georgia. Mr. President, will the Senator from Colorado allow me to ask him a question?

Mr. SHAFROTH. Certainly.

Mr. SMITH of Georgia. The Senator is complaining that his committee has never considered this subject and is arguing that a State bank can not, under any circumstances, unite with the Federal currency associations. Now, does not the action which we took on August 4, with the approval of his committee——

Mr. SHAFROTH. Oh, no.

Mr. SMITH of Georgia. And with the approval of the representatives of that committee on the conference committee, answer the argument he is now making?

Mr. SHAFROTH. No, Mr. President; because that amendment ingrafted on the act of August 4 was never printed or handed to the committee. The Senator from Missouri told me this morning that he wrote it out and that he conferred with the chairman of the committee, and then it went through. That is not the kind of deliberation that ought to be had upon an amendment proposing to change the financial system of the Government. I submit, Mr. President, that these matters ought to be deliberately considered. The amendment referred to by the Senator from Virginia is not properly now up for consideration. I will have some suggestions to make in regard to it at the proper time, but I desire now to discuss the pending amendment. That amendment does not provide that the State banks shall come into the Federal reserve system before they may become entitled to the privileges of the Aldrich-Vreeland Act.

Mr. President, there is one objection which applies to the statements made by the Senator from Georgia and the Senator from Virginia and to both of the amendments which have been proposed, and that is that, so far as emergency currency is concerned, it will be practically impossible to have currency issued to the State banks. I will tell you why. Every national bank in the United States has a series of plates for engraving, respectively, $100, $50, $20, $10, and $5 bills, 28,000 such plates now being in the Bureau of Engraving and Printing. The notes which are issued under the Aldrich-Vreeland Act are the same as national-bank notes, with a slight addition. Since the Aldrich-Vreeland Act has been on the statute books every national-bank note has been changed by simply inserting after the words "secured by United States bonds," the words "or other securities." Consequently, every bank note that is issued now under the old national-bank act is identical word for word with the notes issued under the Aldrich-Vreeland Act. Those notes have to be engraved. They bear upon their face the name of the bank. The work of preparing these plates and printing the currency can not be done in 20 days or 30 days or 50 days or 60 days. The Bureau of Printing and Engraving is right now overworked in preparing the Federal reserve notes which it is contemplated will be issued soon.

Furthermore, if this law were passed to-day the notes could not be issued until currency associations were formed. It is going to take 15 or 20 or probably 30 days to form such associations, even if there is not an objection on the part of the national banks to have the State banks join them.

Mr. SMOOT. To what association does the Senator refer?

Mr. SHAFROTH. I refer to the currency association under the Vreeland Act.

Mr. SMOOT. Mr. President, the associations are already formed.

Mr. SHAFROTH. But the question is whether or not the national banks will take the State banks in.

Mr. SMOOT. If the national banks do not take them in, then that settles the matter.

Mr. SHAFROTH. That may be, but negotiations will have to be entered upon. You can not go to a currency association and say, "We have a State bank which we want to enter the association," and have the association reply, "Certainly, come right in." That will not be done, because the national banks in the association will have to guarantee the notes of the State banks. Consequently, even in the event that the associations admit the State banks, it is going to take time to consider the question as to whether the association will admit a particular bank.

Then, after that occurs, time will have to be occupied in having the bank examined by the Treasury Department. What machinery have they for that purpose? The Treasury Department has some men who are authorized to examine the condition of the national banks, but those men are fully occupied by their present duties, and if you are going to take in thousands of other banks they will have to be examined under Federal supervision, and it will take time to secure the appointment of competent men to make the examinations. We know how difficult it has been to secure the appointment of the Federal Reserve Board. We were four or five months' time in getting that board organized in the face of one objection after another. So, I say that by the time competent men can be secured to examine the State banks, 60 days will elapse; indeed, that would be a very short time.

Then, after it is determined that the bank can come into the system and that the bank is a proper institution to be admitted, the notes will have to be printed. They will have to be engraved. A bank note can not be engraved in a minute; you can not take out of a plate the name of one bank and insert the name of another bank. Each bank has a separate and distinct set of plates, and, as I have said, the number of plates now in the Bureau of Engraving and Printing aggregates 28,000.

When you consider all these matters, does it not seem impracticable to secure any relief from the provision which is designed to extend the privilege of the Aldrich-Vreeland Act to State banks within the limit of time prescribed by law when that act shall cease to be of force and effect? The Aldrich-Vreeland Act will expire by limitation on the 30th of June, 1915. By the time you get all this machinery into operation, secure the appropriation for the various amounts needed, and add to that the time which will be required to examine the State banks and the time it will take the Treasury Department to pass upon their applications and to determine whether State banks applying are proper institutions to be admitted into the system, and when you add to all that the time needed for the enormous work of engraving the notes for the various banks, it will demonstrate that the proposition is impracticable. As is well known, the State banks generally have a smaller capital than the national banks, and more of them, proportionately, would come into the system, at least in that part of the Union where there is a demand for the legislation proposed.

Mr. BURTON. Mr. President, will the Senator from Colorado yield for a question?

Mr. SHAFROTH. Yes, sir.

Mr. BURTON. I am asking it for information. Do I understand that the circulating notes issued under the Aldrich-Vreeland Act carry the name of a specific national bank?

Mr. SHAFROTH. They do.

Mr. BURTON. Or merely the name of the association issuing them?

Mr. SHAFROTH. No, sir; the notes carry the name of the specific bank. They are the notes of the bank, and are issued by the Government. The name of the bank is upon every note, and the note is no different whatever from the old note that was issued for the national banks except that the words "or other securities" are added.

Mr. BURTON. Well, the expressed language of the statute provides that these notes—

shall also express upon their face the promise of the association receiving the same to pay on demand.

There is the promise of the association, is there not, upon them—the guaranty of the currency association?

Mr. SHAFROTH. I do not think that that is on the note; at least, I was so advised at the Treasury Department this morning.

Mr. NORRIS. I think the reference is to "banking association," and not "currency association."

Mr. BURTON. From a reading of the statute, it seems to me that the notes are to be issued by the respective currency associations.

Mr. NORRIS. No.

Mr. SHAFROTH. I was told at the department, Mr. President, that after the Aldrich-Vreeland Act was passed all the notes issued to the national banks which applied for circulation under the old law, under which the banks were required to put up bonds, were in the identical form which has been adopted for the currency issued under the Vreeland Act, the only difference being that there are added, so I was told at the Treasury Department, the words "or other securities." Such notes are bank notes; they are not currency association notes, and, that being the case, it requires the engraving of a separate plate for every one of the denominations that might be called for for each bank. Because of that fact, there is bound to be an enormous amount of time consumed in preparing for and completing the work.

Mr. NORRIS. Mr. President——

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

Mr. SHAFROTH. Certainly.

Mr. NORRIS. I should like to say in connection with what the Senator from Colorado has been saying that this change was provided for by the law. I think Congress provided for that change on the bank notes.

Mr. SHAFROTH. Yes.

Mr. NORRIS. And these notes are issued by the banks and not by the currency associations, as I understand—just the same under the Vreeland Act as they are under the general act which provides for the issue of notes.

Mr. SWANSON. Mr. President, if the Senator will permit me, here is the language of the act:

The Comptroller of the Currency shall immediately transmit such application—

That is, an application for currency—

to the Secretary of the Treasury with such recommendation as he thinks proper, and if, in the judgment of the Secretary of the Treasury, business conditions in the locality demand additional circulation, and if he be satisfied with the character and value of the securities proposed and that a lien in favor of the United States on the securities so deposited and on the assets of the banks composing the association will be amply sufficient for the protection of the United States, he may direct an issue of additional circulating notes to the association, on behalf of such bank, to an amount in his discretion, not, however, exceeding 75 per cent of the cash value of the securities so deposited.

Mr. SHAFROTH. Yes.

Mr. SWANSON. It is issued to the association on behalf of the bank.

Mr. SHAFROTH. It is delivered to the association.

Mr. SWANSON. The circulating notes are issued to the association on behalf of the bank.

Mr. SHAFROTH. No; they are delivered to the association, because they want the guaranty of the association that the notes will be paid, and they are payable at the bank.

Mr. SWANSON. The association holds the securities, as trustee for the United States Government, to guarantee the payment of the notes, as I understand. When a bank goes to the currency association and deposits with the currency association its securities and assets, there is a lien on them specifically, and they are left there. Then they approve the application. That approval for the issuance of the currency is sent to the Comptroller of the Currency. He approves it and sends it with his recommendation to the Secretary of the Treasury. He approves it, and issues the currency to the association on behalf of the individual bank.

Mr. SHAFROTH. They told me up at the Treasury Department not an hour ago that that was not the fact; that they issued these bank notes absolutely to the banks. It may be that they go through the currency association for delivery.

Mr. SMITH of Georgia. The currency association gets the notes and distributes them to the banks.

Mr. SHAFROTH. That may be.

Mr. STONE. Mr. President——

Mr. SHAFROTH. I yield to the Senator from Missouri.

Mr. STONE. Mr. President, I should like to inquire of the Senator from Virginia, as well as of the Senator from Colorado, if the notes are issued to the association, and it appears on the face of the notes that they are the notes of the association—which I do not think is a fact—how would the association know from whom the notes were due? They are made, as I understand, as the notes of the particular bank, so that at all times the outstanding notes and obligations of that bank can be kept as a matter of record. When they are printed they are delivered to the association and by the association delivered to the bank in whose name they are issued.

Mr. SHAFROTH. That is my understanding.

Mr. STONE. Otherwise, it seems to me, it would lead to confusion, and what the Treasury is doing is the proper thing.

Mr. SWANSON. Mr. President——

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

Mr. SHAFROTH. Yes, sir.

Mr. SWANSON. It seems to me that on all these notes they are compelled to put the language or the spirit of the statute under which they are issued. I have no doubt that when these emergency notes are ready they will be issued to the association, and on them will be put the words "on behalf of national bank so-and-so." I presume both are printed on them, "on behalf of such and such a bank," because unless that were done the currency association, under the securities of one national bank, could give the notes to another bank. All circulating notes issued under specific statutes have the substance of the language of the statute on them. I have not seen one of these emergency notes, but I have no doubt the emergency note says "to such and such an association, on behalf of such a bank." It ought to, anyway.

Mr. SMOOT. Mr. President——

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

Mr. SHAFROTH. I yield to the Senator from Utah.

Mr. SMOOT. The Senator from Colorado is right in his contention that the notes are engraved for each particular bank. As soon as the Vreeland-Aldrich bill passed, the Bureau of Engraving and Printing began engraving the notes. The bureau engraved notes for national banks in my State, in Nevada, in Wyoming, and all other States, and the Treasury Department has them on hand now—in one, five, ten, and twenty dollar denominations.

Mr. SHAFROTH. That is, for national banks?

Mr. SMOOT. For national banks. Now, I know that the national banks of Salt Lake City had not joined a currency association. The associations were not formed when the bureau began engraving the notes. The notes are to be issued by the bank itself; but before they are issued by the bank they are sent to the currency association that has to stand responsible for the amount of notes issued. The name of the currency association never appears upon the note, but the name of each individual bank does.

Mr. SHAFROTH. Mr. President, I am glad the Senator from Virginia [Mr. SWANSON] read the provision of the Vreeland-Aldrich Act, because it sets forth what the Secretary of the Treasury shall do as to national banks, and before the Treasury Department can admit a national bank into the system under the Aldrich-Vreeland Act there has to be an examination. If an examination is required of a national bank, which always yields obedience to the Comptroller of the Currency, what an immense quantity of work would be required to examine each one of the State banks that might want to come into the system.

As the State banks are of smaller capital, more of them would be required in order to make a large aggregate amount of currency, and consequently more examinations would be necessary. It is almost as difficult to examine a small bank as it is to examine a large bank—not exactly, but proportionately. There is the matter of going to the town, arriving there, and making arrangements for the examination; and all of that takes time.

Mr. SMOOT. Mr. President——

Mr. SHAFROTH. I yield to the Senator from Utah.

Mr. SMOOT. In that connection, I wish to call the Senator's attention to what I believe to be a fact, that there is not a State bank in any State of the Union that is not examined many times a year. Every one in my State is so examined. Not only are they examined, but there are five calls made by the bank commissioner for published statements showing their financial condition. The State examinations are just as thorough as the examinations made of the national banks.

Mr. SHAFROTH. The trouble is that the examination is made by another man. That is the difficulty. The Treasury Department has no strings upon him. It can not remove him from office. It has no power whatever over him. Consequently, it is not going to take the statement made by a State bank examiner.

I am not so certain that the Senator is correct when he says that every State in the Union requires these examinations. I was utterly astonished, in the examination of the banking and currency question before the committee, to find that in England there is no requirement for a bank ever to make a report. The only reports that are made by the banks of England are made of their own volition, and only once a year.

I do not know whether we have the condition in every State in the Union from which reports are required. I do not know whether there are bank examiners in all of the States of the Union. I am not so certain about that; but we are legislating in the dark. That is the trouble. We have not the data. We have not had an opportunity to look into the subject, and it will take time to do it. But even if you have exactly what you claim in the way of examination in each State, the law says that the Secretary of the Treasury shall have the bank examined; he is not going to take the examination of some State examiner.

Mr. SMOOT. Then, Mr. President, if all the Senator says is true, certainly no harm could result from the passage of the amendment. If the Senator claims that all the immense time of which he speaks is to be taken in the examination, and in the formation of the associations, and in the engraving of the notes, there is no danger whatever from this amendment, and there will be no emergency currency issued. I take it, however, that the Senator is exaggerating the situation.

Mr. SHAFROTH. Does the Senator believe that a law which you can almost demonstrate will be impracticable should be placed upon the statute books?

Mr. SMOOT. No, Mr. President; but the amendment the Senator is discussing merely authorizes the State banks to enter the currency associations that are already created under the restrictions and requirements of the law as it exists to-day. I agree with the Senator that if we were going to have created, in all of the States of the United States, currency associations for the purpose of allowing State banks to enter those associations, it would take the time that the Senator is now claiming; but, Mr. President, the associations are created to-day. The law is passed. Its provisions are plain. All that this bill does is to extend those provisions to the State banks, and they will have to comply with all the requirements that the national banks are compelled to comply with to-day.

Mr. SHAFROTH. The Senator refers to the fact that the Vreeland-Aldrich Act is an established thing. Why, Mr. President, we have not had, except in the last 60 days, any currency whatever issued under it. It is an experiment of itself. Consequently to treat the currency association as if it were of the old line of national banking associations, organized under the act which was passed in 1862, is not a fair thing to do.

Mr. PAGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Vermont?

Mr. SHAFROTH. I do.

Mr. PAGE. I am very much surprised to hear the statement made by the Senator from Utah as to the examinations of State banks. His statement that all the States have five examinations of their banks every year is absolutely without foundation. I believe they do not so examine them in many of the States. Certainly I know some of them that do not. I can not understand why that statement should be made.

Mr. SMOOT. Mr. President, I made the statement upon the assumption that there was no State that was doing less toward examining its banks than my own State, and perhaps none that was doing more. I will say to the Senator now that there are examinations made of the State banks in my State every year, and I will say to him now that there are five calls made for the publication of the statement showing the financial condition of every State bank in the State of Utah. Those statements have to be sworn to and signed by the majority of the members of the board of directors, and they are published in the newspapers of the city in which the bank is located.

Mr. PAGE. If it is fair to say that because the State of Utah does that every other State does it, then, of course, the inference of the Senator is warranted.

Mr. SHAFROTH. But, Mr. President, the difficulty with the situation is that this matter of reporting has been one of gradual evolution. It was found that there might be collusion in regard to when the reports should be made. It used to be asserted that a national bank had a State bank or a trust company across the hall from it, and that if the reports were called for at a certain time they would haul the money over to the national bank when the national comptroller came around, and would haul it back over to the trust company at the time the State authorities called. In our State we enacted a precautionary requirement that the date fixed by the national comptroller shall control as to the State banks, so that that process of juggling can not take place.

I do not believe, however, that is the case in many of the States. At any rate, these banking laws should be very carefully considered and very carefully enacted, and the evils that grow up under them ought to be checked up one by one. That has been done up to this time, and that is the reason why we have an almost perfect individual banking system in the United States in the shape of the national banks.

Mr. President, if these banks are to be examined, the law says, as the Senator from Virginia read, that the Comptroller of the Currency shall examine the banks—that is, through his officials. It seems to me it is absurd to think this could be done in less than six months. In the first place, the examiners have to be appointed, and it takes time to find people who are capable of examining banks. I have no doubt that it would take months to get an efficient force for that purpose. You have to inquire into the honesty of the man. You have to inquire into the ability of the man to examine and to detect frauds that might be covered up by entries in books. It seems to me that if that particular requirement alone were there, it would be useless to expect that during the remaining time that exists for the operation of the Aldrich-Vreeland Act we could hope to get any relief. Then, when you add to that the printing of these thousands and thousands of plates, the making of the most carefully prepared plates that are known in the world for the printing of money, it does seem that we can not hope, even in a year's time, to get the system into operation throughout the Union.

Mr. PAGE. Mr. President, do I understand that as the law now exists we will have the country flooded with the notes of the various State banks?

Mr. SHAFROTH. No; the bank is to have the notes issued under the Vreeland Act; but the thing that presents itself, that is absolutely inconsistent, is to have the United States Government issue money to a State bank. They have different jurisdictions.

Mr. PAGE. But would the money bear the name of the State bank to which the Government issued it?

Mr. SHAFROTH. Oh, yes; it would have to be the Atlanta State Bank, if Atlanta came in, or the Commercial Bank of Atlanta, Ga. Consequently, when you talk about engraving these plates, it takes very large numbers of them. To make each one of them takes an immense amount of work, because the fine work is done for the purpose of preventing counterfeiting, and it is engraved under pressure; that makes it very slow work, indeed.

Mr. PAGE. I should like to ask a further question. The national banks are all organized under a law which prevents the making of notes payable more than one year from date. The law presupposes that the assets of a national bank shall be kept liquid, so that they can meet demands at once on emergency calls. The assets of a State bank, on the contrary, are all based upon the assumption that they are long-time assets; that the money will not be called for. It is largely the money of depositors who put it there for a permanent investment.

If the national banks foresee the coming into these associations of a multitude of State banks which have assets that are not liquid, if they foresee that they will be likely to be called upon to respond to a demand which only they can respond to and which the State banks are not prepared to respond to, is it not going to create a doubt in the minds of the national banks as to whether they may or may not wisely or conservatively enter an association where they, with their quick assets, must bear the burden of the State banks, with their assets that are not liquid?

Mr. SHAFROTH. It seems to me that the position of the Senator is well known. There is this difference, which makes the systems inconsistent with each other: As the Senator has said, one bank takes one kind of paper and the other another. A State bank can take a mortgage upon land. It may be good security, but it is not liquid. A crisis may come and money must be paid out, and the bank can not realize upon that security. The result would be that these national banks would not want to guarantee the paper of the State bank when it is secured by long-time paper.

Mr. CLAPP. Will the Senator pardon an interruption?

Mr. SHAFROTH. Yes, sir.

Mr. CLAPP. Of course, I know nothing of banks outside of my own State, but in that State I do not think it is correct to say that the State banks as a rule loan on longer time than the national banks. They are commercial banks.

Mr. SHAFROTH. They are authorized to do it. I do not know that they all do it. They do it in some instances.

Mr. CLAPP. We have savings banks, of course. It is true that the State banks can loan on farm lands and the national banks could not. Therefore some of the national banks have been obliged to create a subordinate trust company through which they could accomplish indirectly just what the State banks accomplish openly and directly. That is the difference in my own State.

I think the statement is hardly borne out by the facts. The State banks are just as essentially commercial banks as the national banks.

Mr. SHAFROTH. Mr. President, there are some other differences between the systems that it seems to me prove that we should not put them into one organization. The fact of the reserves being different is one thing. The fact that the Federal Treasury can not exact any assessment upon the stock of a State bank would be another. The fact is that the Treasury Department must examine these banks before it permits the formation of an association and admits the State banks. In the Federal reserve act we have provided for all that. There was an examination with relation to that subject when we had the Federal reserve act under consideration, and we have provided that any State bank which wants to come into the Federal reserve system can do so.

Mr. President, it seems to me that that is all that really is necessary.

Mr. SMITH of Georgia. Will the Senator tell us when the reserve banks will be in operation?

Mr. SHAFROTH. I hope the reserve banks will be in operation by October 1. I hope so, at least.

Mr. SMITH of Georgia. I wish I were as hopeful.

Mr. SHAFROTH. There have been delays, and the very fact that delays have existed when there was a desire to have this done shows that delay was necessary, and it shows that it takes time to incorporate a new system on the national banking system. If you attempt to get money in this way you are going to have delay and delay and delay. That is necessary, and you can not avoid it. No notes could be issued, in my judgment, within the nine months that are left for the operation of the Aldrich-Vreeland Act. If you were to pass this law today the requisite time must take place for examinations, for the appointment of examiners, for passing upon the applications, for the engraving of notes, for sending them out, for the purpose of distribution, and that would take such a length of time that I do not believe a single note could be issued in nine months.

Mr. President, what is the difference between the laws regarding the State banks and the National banks in regard to the liability of stockholders? That is one of the things that you are going to mix. People who have some kind of liability are going to be mixed with others with another liability and make them guarantee the notes of each other. It would not operate. If these banks want to come in they can organize a national bank to-morrow and get into the system immediately and have all the advantages under the Aldrich-Vreeland Act. If they do not want to do that they can come in as a member of the Federal reserve bank by virtue of carrying out the requirements of the statute. Under those circumstances, being incorporated and made a part of the Federal reserve system, they could have probably the benefit of this Aldrich-Vreeland currency, if they were to enter the system in the regular way.

There are provisions in the United States law prohibiting the withdrawal of capital from a bank. The laws of the States are not alike in that particular. Some have one provision and some another.

Not only that, but it has been found necessary, in order to have a perfect system, that there should be criminal law attached to the offenses that the officers of a national bank commit. Is it possible that, when the Federal system can not invoke its judiciary and can not punish a State bank for anything that it does, it should be mixed up with banks the members of which are criminally punished under the statutes of the United States?

Mr. SMITH of Georgia. I wish to ask the Senator if they are not mixed up just in that condition under the Federal reserve banking system?

Mr. SHAFROTH. No; I think not. I think you will find that in the Federal reserve banking system any bank that comes under the system is going to be subject to the pains and penalties and limitations that are prescribed as to national banks, and that is the thing that should be required in order to make a harmonious system.

Mr. SMITH of Georgia. Just the same could be done in this instance.

Mr. SHAFROTH. I am talking about the law on that subject.

Mr. SMITH of Georgia. Will the Senator point out anything in the recent act which makes a State bank alone subject to criminal prosecution?

Mr. SHAFROTH. I can not turn to the provision in the 28 or 29 pages of the bill, but I am satisfied that you will find something there that gives such a power, and I am satisfied you will find that under the Federal reserve act as to every single member bank, and they are referred to as member banks, whether they are State banks or national banks, the requirement as to each and every act of the one applies to the other, and consequently there is liability.

Suppose the Secretary of the Treasury wants to have a report from a State bank. The State bank officer can say: "I do not recognize your jurisdiction. You have nothing to do with the State. I am answerable to my charter under the State law"; and it may be that they would not do it.

Mr. SMITH of Georgia. Then they would be suspended from membership.

Mr. SHAFROTH. It might be that way. It might be that a bank would become involved, and that a bank might be in a position where it would be perfectly willing to get out; but it is inconsistent to have a part of the membership getting United States currency subject to certain rules and laws and regulations of the Treasury Department and another not subject to such rules, laws, and regulations. If you are going to build up a system of that kind, you will get into chaos. The most careful examination, taking months and months, would exhibit instances where there could be something disclosed that would not make the system work.

Mr. President, one of the reasons the national banking system has proven so efficient and so perfect is because you have a right to go into the United States courts and prosecute criminals or those who violate the laws of the United States. You could not do that in the case of a State bank. You could not possibly interfere with their rules or their regulations. The State in its sphere is supreme, and it should be, and for that reason its institutions should not be mixed with the national institutions.

Mr. President, the other provision with relation to 125 per cent of the capital stock and surplus of banks, limiting the amount of money that can be issued by the national banks, applies to national banks only. By no reference could it be construed to apply to any system of State banks. You must take into consideration the fact that the Treasury Department must know about it. The Treasury Department does not pass upon these things without most careful consideration.

I want to say to the Senator from Georgia that we are trying to amend these various laws for the purpose of helping the people of the South and other parts of the Union who are in distress, and we have produced three bills. Two of those we have passed. One of those bills provides that under the Vreeland-Aldrich Act the rate of interest shall be reduced from 5 per cent to 3 per cent.

Mr. SMITH of Georgia. We did that last fall. I drew it and presented it to the caucus.

Mr. SHAFROTH. It is right that is was done, and it was in the Federal reserve act. In the last year we have passed at least two distinct measures. The object was relief to the banks, to assist them in getting money, and it was correct, I believe, and I think it meets generally the approval of the people.

Then, Mr. President, we come in and increase the amount that can be issued under the Vreeland-Aldrich Act from $500,000,000 to 125 per cent of the capital and surplus of the bank, which makes the amount that can be issued now $1,280,000,000. That is a relief measure. It is a relief measure to the people in order to aid and assist them in getting money in moving crops or in other crises.

Now we come in with a bill which is to the effect that we should increase from 30 per cent to 75 per cent the amount of the commercial paper that can be hypothecated for the purpose of issuing money under the Vreeland-Aldrich Act. That, Mr. President, is in response to the request of the small bankers who say that they have not the bonds that are required by the Aldrich-Vreeland Act to deposit, and for that reason they want to get commercial paper as the basis of their circulation. The committee has responded to that demand and has presented a bill here giving them an increase from 30 per cent to 75 per cent.

Mr. WEST. Mr. President——

Mr. SHAFROTH. I think other bills will be enacted to aid and give relief, but to put on this bill——

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Georgia?

Mr. SHAFROTH. I yield to the Senator.

Mr. WEST. Do I understand that under the Aldrich-Vreeland Act as it stand now you can issue $1,280,000,000?

Mr. SHAFROTH. Yes, sir; $256,000,000 of that has already been issued. It was issued in the last 60 days, and it is proceeding satisfactorily and relief is coming gradually.

Mr. SMITH of Georgia. Very gradually.

Mr. SHAFROTH. It may be that it is coming very gradually, but $256,000,000 in 60 days is a pretty large increase in the cur-

rency. It seems to me that we ought not to issue the whole amount of $1,280,000,000 at one time, because I believe that collapses would come by reason of such a large inflation of the currency.

But, Mr. President, we are proceeding to help the little banks just as much as we can, and when we present a little measure here simply for one purpose, namely, to increase the amount of commercial paper that can be deposited as a basis for circulation from 30 per cent to 75 per cent, it ought not to have attached to it any other amendment.

For these reasons, Mr. President, I hope the amendment will be voted down.

Mr. SMITH of Georgia. Mr. President, I hardly think that the Senator from Colorado [Mr. SHAFROTH] has been as logical as usual in his argument this morning. At the opening of his argument he presented two lines of thought. One was that there was serious objection to the State banks coming into the currency associations on account of the quantity and number; and yet just a little later he undertook to point out that probably the laws of none of the States would let them come in at all. Those two positions were scarcely consistent.

Mr. SHAFROTH. I stated that I did not know whether they would come in or not, but I doubted very much whether they would, and that consequently an examination ought to be made by committees and after inquiry reports made concerning it before we put upon the statute books a permanent law.

Mr. SMITH of Georgia. I understood what the Senator said. He did have a great deal to say about examinations and committees and delays.

Mr. President, it is not a serious proposition to turn to the statutes of any State to see just what is the power of the State banks in the State. Indeed, if a State bank applied from any State for admission to the currency association of that locality, it would undoubtedly call to the attention of the Secretary of the Treasury and call to the attention of the officers of the currency association the law of the State, and it would be a matter of a few minutes to pass upon it. The terrible delay and the great difficulty I think has been rather exaggerated in the mind of my able and most esteemed colleague from Colorado, for he is able, and I do esteem him. It would be a matter of a half hour as to each State when the statutes were laid before the counsel of the Treasury Department or the counsel for a currency association to read the statutes and see what was the power of the particular State.

Mr. SHAFROTH. I should like to ask the Senator, inasmuch as he has prepared this amendment, why has he not taken the little half hour that is necessary to ascertain whether the State has the power or not? Can the Senator say now that the State banks in half a dozen States in the Union can enter this system he proposes? I do not know whether they can or not, but we are legislating in the dark, and that is the thing which we ought not to do.

Mr. SMITH of Georgia. If they can not enter it, then the trouble upon the mind of the Senator from Colorado is relieved. He does not want them to enter; he objects to having any of the State banks join a currency association, and if the statutes of the State do not allow them to join, then all of his distressed condition of mind should be removed, and there is no occasion for his being so anxious on the subject.

What I said was that if a State bank from a particular State desired to join the currency association the counsel for that bank would bring to the counsel of the currency association and to the counsel of the Treasury Department the statute of the State on the subject, and it would be the work of a few minutes to read the statute and to determine what it meant. I have read the statute of my own State. I know what it is. I have not studied the statutes of other States upon this subject. It may be that in some States it may be so important to allow the State banks to join the currency association that their legislature will be called together and the privilege will be extended. It may be that in many of the States it is entirely unnecessary, and that the State banks will not desire it; that there is no legislation which permits them to join, and it is not of sufficient importance to call a meeting of the legislature to authorize them to join. These difficulties which the Senator suggests relieve the other difficulties which he has urged.

Mr. President, there is a condition which exists in at least a number of States of the Union that requires additional legislation with reference to the currency question and the committee presents nothing to relieve that situation.

Mr. SHAFROTH. Oh, yes; we do, Mr. President.

Mr. SMITH of Georgia. I sat quietly and listened to the Senator for quite a length of time, because I did not wish to interrupt him, and I would be glad to present just a little further my views upon this subject without interruption.

The VICE PRESIDENT. The Chair will say that the floor is in charge of the Senator from Georgia.

Mr. SMITH of Georgia. Mr. President, I repeat that the committee has not presented any solution of this question, and it is a most serious situation.

As a part of my argument, I desire to send to the desk of the Secretary, and let him read for me an editorial, which I read just a few moments ago, from the New York World.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[From the New York World, September 11, 1914.]

WHAT IS EMERGENCY CURRENCY FOR?

On the outbreak of war in Europe Congress passed with only a few dissenting votes an act modifying the Aldrich-Vreeland emergency currency law, greatly to the advantage of the banks.

It made a billion dollars of this currency instantly available in the discretion of the Secretary of the Treasury. The tax rate upon the issue is fixed at 3 per cent for the first three months, with an increase of one-half of 1 per cent a month thereafter until 6 per cent is reached, which rate shall be the maximum until the notes are withdrawn.

Unlike normal national-bank notes, which are secured by Government bonds, emergency currency may be based upon State and municipal bonds or upon approved commercial paper. The purpose of the act was to provide a sound currency in abundance at times when, as a result of business or other disturbances, there was a tendency to hoard money and deny credit. Such an occasion appeared a little more than a month ago, when hostilities across the sea prostrated commerce, credit, and exchange throughout the world.

It will hardly be maintained by anybody that this great measure of finance, described at the time by Senator NELSON as the mobilizing of the bank resources of the richest of nations, was intended for the benefit of the banks alone. It was designed to facilitate the transaction of all business; to make the wealth, energy, and credit of the people quickly available as a guaranty of the circulating medium; to overcome causeless panic; to defeat the monopolization of money and credit, and to make sure that no one, no matter how powerful, should be able by means of terror and manipulation to squeeze the life out of commerce and industry.

So far as we have observed, bankers in New York and very generally throughout the country have accepted the new currency as the largess for themselves. Bottomed on collateral amounting to about $136,000,000, New York banks have at least $105,000,000 of the new issue, the people's money, designed for the people's use. They are hoarding gold, gold and silver certificates, and greenbacks. They are exceedingly censorious of commercial paper. They are charging 7, 8, and 9 per cent for such loans as they grudgingly make, using for the purpose notes which at present cost them but 3 per cent and which never will cost them more than 6 per cent.

Thus, owing to what must be regarded as greed, if not gluttony, the emergency which emergency currency was created to meet exists without much abatement. A patriotic and generous Congress has provided hundreds of millions of good currency for the use of the people, but reasonable access to it is prevented by the timidity or the extortion of bankers. How long must American business submit to this oppression?

Mr. SMITH of Georgia. Mr. President, in the section where I live there are 12 States which produce a crop which 60 days ago was worth a billion dollars. The distress which is spreading over that section can scarcely be described. I am hardly able to read my morning mail bringing to me the story; I am hardly able to read it, because I am myself so distressed by the distress of those people and the burdens which they are to-day carrying.

What have we done to reach the trouble? Almost nothing. The sum of $150,000,000 from that crop would go to the Middle West; $400,000,000 of it would go to the East. The whole country is feeling the burden of the blow that has been struck at our greatest export crop. It has cost from 10 to 11 cents a pound, perhaps 11½ cents a pound, to raise it. It will continue to cost next year and the year after between 10 and 12 cents a pound to raise it. The world must use it in a short time; but to-day there is no demand for it, because of the foreign war; because 60 per cent of its use is suspended through the cessation of the operations largely of foreign mills. But for the $610,000,000 of gold brought by this crop from abroad last year what would have been the condition of our international balance?

As the Senator from Rhode Island [Mr. LIPPITT] has said, it was to his interest, as a manufacturer of cotton, that the price should be sustained and that this volume of foreign gold should come into our domestic commerce to give it vitality and to make it practicable for the people of this country to be in a position to purchase his goods. It is a matter of value to all the country, not simply to that part of it which produces the cotton. If these people for the lack of currency to carry them for the next few months are forced to sacrifice their crop and let the price go down to half what it cost to make it, then bankruptcy confronts the small farmers of 9 of our States, one-fifth of the population of the Union; then the markets that they have furnished to their fellow citizens of the middle section of this country is gone; then the payment of the bills to the eastern section of the country and the market we have furnished for the products of the eastern section of the country is gone; then the return from the export of this crop when

it goes abroad, the return which cares for our international balances, the return at a fair price, needed within the next few months to bring foreign gold to take care of our bonds being brought here for sale—then this resource of the entire country also is gone.

It is an international problem; it reaches far beyond the locality; but as to the locality it means ruin. I say that the Senator from Colorado has furnished nothing to relieve this situation.

Mr. SHAFROTH. Mr. President, since the Senator from Georgia appeals to me, I will state that I think we have done something to relieve the situation. I will state that there is a remedy right now that can be put into operation much quicker than you can get any remedy in operation under the Aldrich-Vreeland Act; that is, to have the State banks join the Federal reserve system and consequently get money on the same security that we are asking shall be required in this very bill.

Mr. SMITH of Georgia. Mr. President, the amendment of August 4 to the Aldrich-Vreeland law was intended to reach State banks as well as national banks. The national banks do not deal with the masses of the people in our section.

Mr. VARDAMAN. Nor anywhere else.

Mr. SMITH of Georgia. They finance the larger transactions. I do not say that the legislation of August 4 was not, in one sense, helpful. It was helpful to the manufacturer and the big merchant; it was helpful to the condition of affairs at the place of eventual payment of debts, in New York City; it is helpful to all the country to relieve the pressure from the place of eventual payment of debts. The relief of pressure from the place of eventual payment, which is largely in our commercial center, New York, enables creditors there to avoid the immediate collection of their debts, and that moves out through the whole country and is beneficial. I wish to digress to say that to that extent the legislation of August 4 is substantially beneficial; it will also be helpful by enabling factories to buy, if they are ready to go on with their business. I would be uncandid if I did not concede this much.

I believe that the provision allowing the national banks to utilize commercial paper up to 75 per cent will be helpful in the broad sense that it will contribute toward the general relief of the situation in the country; but I do not believe the national banks have used this aid with the liberality and in the spirit that caused the passage of the act of August 4; and I am afraid they will not use it under the bill which we are now proposing to pass extending the limit to which currency can be issued on commercial paper from 30 to 75 per cent.

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

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. SMITH of Georgia. Certainly.

Mr. POMERENE. The Senator has just indicated, and indicated correctly, that the national banks have not availed themselves of the opportunities afforded under the law to supply their clients the necessary cash to do their business. What reason has the Senator for believing that the State banks to any great extent would avail themselves of this opportunity if they had it?

Mr. SMITH of Georgia. I will reply to the Senator so far as my own State is concerned, because I have been appealed to by dozens of the bankers there; I have been appealed to by the chairman of their State organization, and their executive committee, who have stated that they are in immediate touch with the situation; and they state that but for the 10 per cent tax on State bank issues they could furnish a local currency that would relieve the situation.

My preference would be to suspend the 10 per cent tax on State banks for six months or nine months. If you wish to free the Treasury from any responsibility, and if there are the troubles which have been depicted connected with admitting State banks to currency associations, then give us some modification of the 10 per cent tax provision or some suspension of it for a few months in order that the State banks may meet, as they are willing to meet, the local situation which is so distressing. I do not ask for that, however; I am asking for this measure.

Mr. SMITH of Michigan. Does not the Senator from Georgia think that that would tend to destroy the uniformity of our currency, while the amendment proposed by the Senator from Georgia would tend to unify and keep it harmonious?

Mr. SMITH of Georgia. I think the Senator is right about that.

Mr. SMITH of Michigan. There is a great deal of propriety in reaching the situation in that way.

Mr. SMITH of Georgia. I think the Senator is right in his suggestion; but I was contending that the Senator from Colorado, while objecting to the amendment we have presented, does not offer us a substitute. The difficulty with our situation is the urgent need of currency, or, rather, that is one of the difficulties; there are others; I do not mean that it is the sole difficulty. If I had control of the situation, I would buy 5,000,000 bales of cotton, either through the State government or through the National Government; I would restrict next year's production to one-half the present crop; I would stop this distress and save the commerce of the section immediately affected and the commerce of the country.

Mr. WILLIAMS. Mr. President, how would the Senator restrict the crop?

Mr. SMITH of Georgia. By statute; and enforce it, just as was done in 1862. In that year a statute was enacted in Georgia which restricted cotton production.

Mr. WILLIAMS. Mr. President, the Senator surely does not contend that the Federal Government could do anything of that sort.

Mr. SMITH of Georgia. Mr. President, the Federal Government could tax out of production one-half of the cotton acreage. I mean to say that if I had control of the 12 Southern States and could dictate what should be done I would begin by purchasing with short-time bonds, given to the owners of the crops, 5,000,000 bales of cotton; then I would limit next year's production to one-half the acreage, the other half to be devoted to the production of foodstuffs.

I do not hesitate to make this declaration here, though it creates smiles from some. If I were governor of one of the Southern States to-day, I would ask for a conference of governors, and if they would join me, if it were necessary, I would have a constitutional amendment, or even a constitutional convention in my State, to care for this situation, which as it stands may bankrupt half the people of the State. I would meet it as a war measure.

When I make this statement I wish the Senate to understand how serious is the situation. Yes; I go further, shock Senators as it may; I would be glad to see 5,000,000 bales of cotton taken over with 3 per cent bonds of any kind, National or State, and such a tax levied as would restrict the production of cotton one-half next year.

I know that there will be the wails of women and children caused by the condition if not relieved, and suffering almost as serious as that caused by guns on the battle field. I know that suffering exists now, and that every day it is growing worse. I know that hundreds and hundreds of men who have labored to buy small farms for themselves and their wives and children will see them swept away. I have letters from men who have farms with large numbers of tenants who have notified their tenants that they will not undertake to carry them or enable them to make a crop next year, because they can not do so. I fear that as the situation stands there will be thousands and thousands of men and women and children without work and compelled to suffer in the 9 Southern States during the next 12 months.

Mr. VARDAMAN. Mr. President, I wish to suggest to the Senator that if this amendment were adopted as proposed it would enable the banks to relieve that pressure.

Mr. SMITH of Georgia. It will help, if the Secretary of the Treasury will meet the emergency liberally and generously.

If the Committee on Banking and Currency and the Congress would offer us the opportunity of issuing State bank currency, associations with the privilege of issuing notes for circulation for 12 months, disconnected with the National Government, could furnish a local circulation, it would not be good all over the country; it would not be as good as the currency under the Aldrich-Vreeland Act; I agree with the Senator from Michigan that it would not be as desirable; but it would, to a considerable extent, save the situation.

Mr. SMITH of Michigan. Mr. President, it would be substantially what the banks now have a right to do by means of their clearing-house certificates.

Mr. SMITH of Georgia. I do not think they could issue clearing-house certificates for circulation without being subject to the 10 per cent tax.

Mr. SMITH of Michigan. I do not think I will disagree with that conclusion, but they may issue them—and they have issued them—without that tax being imposed; but the very fact that they are issued by local banks, no matter how strong, confines the territory within which they must circulate and renders them to just that extent unequal to the emergency we now have.

Mr. SMITH of Georgia. They would not be equal. They would be entirely local; but were it not for the 10 per cent

tax on the issue of local currency the State banks of most of these States would meet and organize local clearing-house associations and issue for local purposes only clearing-house certificates for circulation as currency. They are debarred from doing that by the Federal statute.

I grant all the criticism anybody will make against such a system of circulation. I grant its deficiencies; but even that would be vastly better than the situation which confronts us.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Missouri?

Mr. SMITH of Georgia. I do.

Mr. REED. What reserve are the State banks of Georgia required to keep?

Mr. SMITH of Georgia. I do not remember. I think it is 12 per cent.

Mr. REED. How much money have they now actually in their vaults? What reserve have they there?

Mr. SMITH of Michigan. Probably 15 per cent.

Mr. SMITH of Georgia. It is down practically to the very bottom legally permitted, I think.

Mr. REED. Is the Senator speaking from the figures that he has ascertained or is that an impression?

Mr. SMITH of Georgia. No; from my general knowledge of the condition of their finances on the 1st of September of every year. I have had no practical connection with a State bank for a number of years. My business connections are with national banks.

Mr. REED. What are the reserves to-day, or within the last week or so, of the national banks of Georgia?

Mr. SMITH of Georgia. I have had no reports within the last week.

Mr. REED. Is it not a fact that the reserve is away above the legal requirements?

Mr. SMITH of Michigan. I do not believe that is possible anywhere.

Mr. REED. Mr. President, with all the respect in the world for the Senator from Michigan, I am not talking about Michigan. I am trying to find out about Georgia.

Mr. WEST. Mr. President, I will say that if the reserve is above the legal requirement it is because of the apprehension of the banks as to what is to come.

Mr. REED. Very well; because of the apprehension as to what is to come. I wish to ask further if it is not a fact that the Aldrich-Vreeland currency that has been issued to the national banks is, to a very large extent, still in the vaults of the banks, unused?

Mr. SMITH of Georgia. That may be true, and that is just why I was suggesting that the mere enlargement of their facilities to issue currency does not seem to carry any substantial relief.

Mr. REED. Now, let me ask another question, because we get nowhere by simply dwelling on the misfortunes of our country. The question is one of relief. One might concede all the Senator has said with regard to the desperate condition of the South, growing out of the inability to market crops. We all recognize that that misfortune would be instantly wiped out if the crops could be marketed at a fair price. Being denied the ability to market the crops, the question comes, What is the remedy?

The remedy we are now discussing is that of the issuance by the Federal Government to these banks of the Aldrich-Vreeland currency. Of course the question then at once arises, What use would the banks make of that money? Would they accept it? Would they use it? Would it stimulate credits, and would it bridge over the chasm?

If it be true that the national banks still have in their vaults, unused, a large portion of the Aldrich-Vreeland currency which has been recently issued, does it not follow that there is some reason for keeping that money in the banks? If so, the question at once arises, What is that cause? Is it because the banks fear to put it out, or is it because the inducement is not great enough?

Mr. SMITH of Georgia. I am not so accurately informed about the reason influencing the banks as I would wish to be to answer the Senator's question. I am informed about the status of the State banks with reference to this problem, and I am absolutely sure that if the State banks get the opportunity they will use the money, and use it where it will do the good that I desire to see accomplished.

Mr. REED. The State banks of the Senator's State have plenty of good commercial paper, have they not?

Mr. SMITH of Georgia. I think they have.

Mr. REED. Of course if they have not, they can not get this money.

Mr. SMITH of Georgia. I think they have ample to obtain this currency.

Mr. REED. Let us assume that they have good commercial paper; what interest does that paper generally bear?

Mr. SMITH of Georgia. Eight per cent; from 7 to 8 per cent.

Mr. REED. A national bank can come to the Federal Government with its securities and secure this currency by paying a tax of 3 per cent. That tax of 3 per cent, plus the expense of handling it, certainly does not aggregate to any national bank of Georgia anything like 8 per cent. That being true, if the State banks have plenty of good commercial paper and bring it to the national banks, and the national banks can make money by loaning to them, why is it that relief has not already reached the State banks?

Mr. SMITH of Georgia. I do not know, except I know that the national banks are not furnishing them any money at less than 8 per cent.

Mr. REED. If the desperate condition exists that he has pictured here—and he painted it in such dark colors, and with so much feeling in his manner, that I am forced to believe that the condition is a very hard one, one which appeals to all of us—if that desperate condition exists, and if the State banks have plenty of good commercial paper, then it is inconceivable that they will not bring that commercial paper to the national banks and get money and relieve the situation, unless there is some other reason that makes it impossible for them to accomplish the desired end.

Now, I think I know what that reason is. I think the reason is found in the fact that there is no market for the cotton. It is not the lack of currency; it is the lack of a market.

Cotton to-day has no market price. Cotton exchanges are closed, as I understand. Stock exchanges are closed. Cotton is not going abroad. No man can look into the future and say what cotton will be worth to-morrow, or the next day, or the next month. Accordingly, the man who wants to borrow money, being the man who holds the cotton, is a man whose credit is seriously impaired by virtue of no fault of his, but of untoward conditions abroad.

If the cotton were good security so that the maker of the note who primarily needs the money were perfectly sound, I do not see why to-day he could not take that note to his State bank, and why the State bank, being a solvent institution, could not immediately get this money through the medium of a national bank. It might cost something, it might be rather a high rate of interest, but still the desperate condition painted by the Senator would warrant the payment of rather a high rate of interest. It must be because of the lack of security and not the mere lack of money.

There is as much money in this country to-day as there ever has been, and in addition to that there is $250,000,000 of this emergency currency already out. It is not the lack of currency so much as it is the lack of a thing warranting the loaning of the currency, I am afraid.

I want to help the Senator's section of the country—not as badly as he does, because I could not feel it as keenly as he feels it, but as one living in a different part of the country which is not affected by the condition to-day so much as the Senator's section is, I want to help. The question is, however, Can you remedy a condition which owes its origin to a lack of a market by the mere issuance of credit money? Can you do it? That is rather fundamental, but I think it goes right to the merits of the question.

Mr. SMITH of Georgia. Mr. President, undoubtedly the suggestion of the Senator from Missouri has weight. Unquestionably, lying beneath our difficulty is the temporary lack of a market for cotton. I do not question the soundness of that statement; but there is still a certain value to the cotton. It is a commodity that the world must consume. The clothing of the people of the world rests upon its use. It costs over 10 cents per pound, on the average, to produce it. I refer to middling cotton. The fact that it is temporarily depressed because less than half the available supply is demanded by the mills now running is no sufficient reason for sacrificing the price of all of it, when we know that within the next two years cotton will be selling for over 12½, 13, or 14 cents a pound, with the conclusion of the war.

There will be a temporary suspension of the mills, and the clothing now in use will be worn out. With the termination of the European struggle the people of the world will require this product. Fortunately, it is a product that in no sense deteriorates with age. While the national banker and the man not familiar with the local farmer fear, perhaps, to aid him, it is because the State banker, who does his business almost entirely, still knows the value of the security, and will accommodate him and help him, that it is so important the benefits of the Aldrich-

Vreeland Act shall be extended to the State bankers. I do not claim that such an extension to them would entirely relieve the situation. It would not. As I said before, if I could write the acts myself I would go vastly further.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Georgia yield to the Senator from Alabama?

Mr. SMITH of Georgia. Yes.

Mr. WHITE. Of course, the question is a broad one, but when we consider the difficulties we must consider it broadly.

The Senator from Missouri asks why it is, with plenty of money in the national banks, that it does not find its way into the hands of the cotton producer. May not the trouble be that the influences which control the national banks have something to do with it?

Mr. SMITH of Georgia. And they want to buy the cotton at a great sacrifice. Is that the idea?

Mr. WHITE. Are not their customers the millmen, the cotton buyers, the speculators? To accommodate their own customers, the mills and the speculators, are they not withholding the money from circulation for that purpose? May there not be even a secondary grasp upon this money—not the grasp alone of the local banks, but the grasp of the gigantic influence behind it, that does not feel any interest in the local situation, or, in other words, in the price of cotton? Does not the State banker, on the contrary, want to accommodate his immediate customer, the farmer, the man who patronizes and makes him and keeps him alive? And will not the effect of this legislation, if enacted, be to put the State banks in competition with the national bank and make the national bank turn loose some of its money?

I make these suggestions along that line for the Senator's consideration.

Mr. SMITH of Georgia. I thank the Senator for the suggestions. I think they are valuable.

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

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

Mr. SMITH of Georgia. I yield.

Mr. SHAFROTH. I should like to suggest that there can not be a motive of that kind. The Senator has been and, I understand, is now connected with a national bank. Is the Senator's bank refusing upon any such ground as that? Have you had any pressure from any other part of the country not to lend on cotton? It seems to me not.

Mr. WHITE. Mr. President——

Mr. SMITH of Georgia. I must answer the Senator from Colorado, as he referred to my own bank. My answer is that, while I am nominally a director, I have not attended a directors' meeting in years, and I have been asking to retire as a director for some time; but, as I helped organize the bank, and may have seemed to desire remaining a nominal director, I am not informed about the details of the bank's business.

Mr. SHAFROTH. Is it not a fact that all the directors of your bank are citizens of the State and are directly interested in the welfare of the State?

Mr. SMITH of Georgia. Yes; I think they are.

Mr. SHAFROTH. I believe, if you examined——

Mr. SMITH of Georgia. But I want to add that I have seen no disposition by the national banks of the city of Atlanta to be liberal toward the outside State banks. Their regular customers require the currency they have to loan.

Mr. SHAFROTH. Mr. President, the difficulty of the situation is very largely as the Senator from Missouri suggests. A man goes to a national bank and says, "I want to get money. I have a thousand bales of cotton that are worth $50,000. I want some money on it." The bank will naturally say, "Well, now, how much are we sure that we can make on that? There is no market. We can not lend 8 or 9 cents a pound on it under present conditions. We can not let it go for over 4 cents." The man says, "That will not meet my obligation. I can not get along with it." That is the condition. It is because of the fact that the banker himself wants to be safe, that in order to be safe he puts the amount he will lend on the cotton at a very low price. Everyone feels sympathy for the southern people in this distressed condition. I think you have gotten the wrong basis upon which to operate. I am sure if you——

Mr. SMITH of Georgia. I am sure we have the wrong basis now unless we amend the bill.

Mr. SHAFROTH. The bill will add something to it, anyway. It may not add as much as the Senator wants.

Mr. SMITH of Georgia. The trouble is, it goes only in spots.

Mr. SHAFROTH. I want to say that people have lost confidence in the cotton without, in my judgment, understanding the great quality of cotton. I think, if the Senator will put in a concrete form what he has said here about the imperishable character of the crop and the certainty that it will come back in the long run to a good value, it would give more confidence to the banks and they would advance more money in proportion to the amount than is the case now.

Mr. WHITE. Mr. President——

Mr. VARDAMAN. Will the Senator from Georgia yield to me for a moment?

Mr. SMITH of Georgia. I will yield first to the Senator from Alabama.

Mr. VARDAMAN. Mr. President, I ask the floor for but a second.

In the State of Mississippi there are only 32 national banks. There are 326 State banks. There is not a banker in Mississippi who does not know the value of cotton and its intrinsic qualities. With all these banks, State and National, sharing in the privilege of the Vreeland-Aldrich law, does not the Senator see that it would create a great force to handle the cotton crop and the directors of the State banks whose interest is connected and associated so intimately with the farmer that they would help him carry his cotton and bridge this financial chasm. It is not going to be very long, I apprehend, before the European war is over, but now the 32 national banks in Mississippi can not supply the 326 State banks with the currency which the situation demands. I am opposed, even if the national banks were able to furnish the necessary currency, to giving them a monopoly of the business. We are now legislating for the people and not to increase the profits of the national banks.

Mr. SHAFROTH. If the Senator from Georgia will allow me a moment right there, you can get relief in one-fourth of the time if your State banks join the association of Federal reserve banks.

Mr. VARDAMAN. But if they come in under this bill they can get relief now.

Mr. SHAFROTH. They can not get relief now. That is impossible. To engrave these notes and——

Mr. VARDAMAN. I will say to the Senator that by the very enactment of this law with the amendment proposed confidence will be restored and the money that is being stored away in the banks now will be used for purposes at this time which this emergency currency is designed to meet later. The confidence that will be restored by the adoption of this amendment would be worth millions to the cotton growers of America. It will give courage and stimulate hope, which at this time would go far toward ameliorating the condition in the South.

Mr. SHAFROTH. Not if it were demonstrated that you could not have relief in the issuance of the money until the Vreeland-Aldrich Act absolutely had expired.

Mr. VARDAMAN. As a matter of fact, I apprehend that there is enough money in the South now to meet any demand. If the banks knew they would be able to get in 60 days additional currency, the relief would come at once, and the confidence which the enactment of this measure would inspire would bring relief to the entire country. Of course it is not going to restore the condition that existed prior to the European war, but it would greatly improve conditions.

Mr. SHAFROTH. But the Senator is assuming an impossibility in speaking of 60 days. Here you have to pass a law, and the Treasury Department must create a bureau, and you must have an appropriation for the bureau, and you will have to appoint innumerable examiners, and you must then have reports from them.

Mr. SMITH of Georgia. You need not examine any at all. The securities put up will be ample.

Mr. SHAFROTH. They would not take that. They have a system which applies to national banks, and surely they would require State banks to do the same thing, and it takes time. The appointment of examiners would take at least two months, and then the report of the banks and the attempt to form an association would take another period of time, and then the printing of the notes would take fully three months.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Alabama?

Mr. SMITH of Georgia. I had already yielded to the Senator from Alabama, but he temporarily yielded to the Senator from Mississippi.

Mr. WHITE. The Senator from Colorado overlooks the fact that the people will anticipate the benefits to be derived from the adoption of the amendment, and by reason of this anticipation it would produce immediate benefits.

Mr. SHAFROTH. Does not the Senator realize the fact that this Federal reserve system is supposed to go into operation in less than 30 days with complete machinery, with everything

ready, and with the notes printed? That is what the Bureau of Engraving and Printing has been doing. The Government is getting ready to issue money upon the identical security that we are presenting in this very bill, namely, commercial paper. Consequently you can get the benefit in one-fourth of the time that you can by invoking the Aldrich-Vreeland Act and the necessary examinations and the formation of new associations, and things of that kind.

Mr. WHITE. The Senator still loses sight of the fact that we need immediate relief; we can not well wait for the Federal reserve system to go into operation. We need the relief as soon as possible.

The Senator asked a question of the Senator from Georgia, and I want to answer it as far as I can. He asked the Senator from Georgia if there was any such motive for withholding the money from the people as was indicated by my question to the Senator from Georgia, and if he had seen evidence of any such motive. I will answer the Senator from Colorado by stating what the Secretary of the Treasury has been doing. He saw the withholding of the money of the banks in New York, and to meet and overcome that disposition he has been making crop-moving deposits, as they are called, in the South and loaning the money at 2 per cent. That was done for no other purpose than to make the banks of New York turn the money loose. It was done not to supply currency to the country, because the amount the Government advanced would not supply the amount necessary to handle the crop, but it had the effect to make the New York banks turn loose, as the Government got into competition with them, at a low rate of interest.

Mr. SHAFROTH. The Assistant Secretary of the Treasury told me this morning that the New York banks were below the law requirements as to reserves right now. If that is the case, they are not withholding it; but if they are withholding it——

Mr. WHITE. I am talking about what is occurring just at this moment. I am talking about a disposition that exists and the motive.

Mr. SHAFROTH. As a matter of fact, I can not believe that there is any motive behind any bank in withholding currency to affect a world's crop. I believe that all the banks of New York City have been fearful that there would be a drain made upon them. They have been fearful that the securities over in Europe would be dumped here, and that they must be met, and they must have money in order to do it. I do not believe it was intended to affect the price of cotton or to bear cotton.

Mr. WHITE. I do not mean to say that it is being done with an improper motive, but it is being done, nevertheless. The motive may be to keep themselves in readiness to meet the demands of their own customers. The motive may not be a bad one, but the disposition to withhold exists.

Mr. SHAFROTH. Mr. President, I feel great sympathy for the people of the South, because this depression is bound to exist down there. I believe cotton is one of the greatest staples in the world, and that it is bound to come back. I believe if the southern people do not get too much agitated over the question they will get relief. But it seems to me that the advice ought to be to the State banks down South to go into the Federal reserve system. Then they can put up their security, and then the money is already printed and ready to be advanced, and the result will be that they can get it in one-fourth of the time. That is the relief to which it seems to me they are entitled, and the relief which I hope they will get.

Mr. REED. Mr. President——

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

Mr. SMITH of Georgia. I yield.

Mr. REED. I think I should in all fairness make a statement to remove possibly a wrong impression made by a question this morning. I asked the Senator from Georgia was it not a fact that the banks had been obtaining Aldrich-Vreeland currency and had not put it out. I asked that question because it was my information that that was largely true. I have just heard from the Comptroller of the Currency, who has been making an examination, and he states to me that the impression that money had not been put out was an exaggerated one. An examination shows that it had been much more generally used than had been thought to be the case. The facts are not yet obtainable, but that fact, for whatever it is worth, ought to be fairly before the Senate.

I wish to make another statement. The comptroller states to me that the national banks of Georgia are clamoring for more money, and that the disposition in the Treasury Department is to help them; but these banks, while they have plenty of commercial paper, do not have the bonds, and therefore this bill ought to be passed immediately, and that the amount ought to be raised to 80 per cent, just as they have constantly recommended; that is, that 80 per cent of the securities may be commercial paper. If that is done it would afford immediate relief to the national banks of Georgia. If the money gets into the national banks and they are not hoarding it but putting it out it certainly is going out in Georgia. If it goes out in Georgia, whether it goes to the merchant of the large city or to the manufacturer, or whoever gets it, whatever goes to him of this currency relieves the pressure upon the other money of the State to that extent.

Mr. SHAFROTH. I will state to the Senator that the amount which the Georgia national banks have drawn from the 4th day of August to the 8th day of September was $3,682,000.

Mr. REED. To how much are they still entitled?

Mr. SHAFROTH. I do not know.

Mr. REED. I gave those figures the other day. It is about $15,000,000.

Mr. SMOOT. Fifteen million two hundred thousand dollars.

Mr. REED. I assure the Senator from Georgia that I have every sympathy I can have for the people who are suffering now by reason of these untoward conditions due to the European war and to no fault of theirs. If the Federal Government pours into the national banking system of the State of Georgia a large sum of money, something like $15,000,000, I believe it will be impossible that that will not relieve the situation to a very great extent.

I will say to the Senator further that in this matter of issuing the money time is necessary to make the large number of plates and so forth. It is not an idle objection, it is a real fact, that delay for a considerable period is inevitable if you print this money for each of the State banks. The plates are being prepared.

Mr. SMITH of Georgia. I do not think it is necessary.

Mr. REED. But it is necessary, because, in the first place, that is the present law. In the next place, this money must be printed for each bank, because each bank is liable to redeem that money at demand at its own counters, and it is only allowed to redeem its own money, not the money issued by other banks. That fact can not be overlooked.

The Senator from Colorado has stated very truthfully that the Federal reserve system ought to be in operation there in a very short time, and probably it will be in operation long before this Aldrich-Vreeland money could be printed upon new plates that are yet to be made for the State banks.

I appeal to the Senator from Georgia to turn in and help pass this bill just as it is, and give the banks of his State the opportunity to employ as security 80 per cent of their commercial paper and make it so that the national banks of his State can get this $15,000,000 at once. That would relieve the situation. If there is a great pressure there it is inconceivable to me that then the State banks would not be able to go to these national banks and get money. I know in my own State they would be able and certain to take care of them as they would take care of each other. All the State banks are customers of national banks. They have their business relations. Every moment of delay in the enactment of this bill we are denying to these banks the help they are clamoring for every day. This bill should have been passed a week ago. It proposes in a direct way to carry relief. If there is not any other way by which we can carry relief to them I shall be glad to cooperate with the Senator and have it done. This bill is to be followed by another bill which is here upon the calendar, which bears particularly upon the——

Mr. SMITH of Georgia. Bank acceptances.

Mr. REED. It bears particularly upon the Federal reserve banking system. I am perfectly willing to go into consultation with the authorities of the Treasury Department, with the Senator, and with others to afford every measure of relief that can safely be worked out. I think we ought to pass this bill now, and in view of all the obstacles I am convinced the Senator will cooperate with us to do it.

I thank the Senator for the long interruption.

Mr. SMITH of Georgia. Mr. President, in the first place, this bill will not increase to the national banks their circulation $15,000,000. They would be entitled to $15,000,000 more if they obtained their full 125 per cent. But this bill only permits them to go to 75 per cent by the use of commercial paper, and the banks in that section, and most of the banks outside of the great centers, have not the bonds that are used as security to enable them to obtain the 125 per cent covered by the act approved August 4. The increase of circulation——

Mr. REED. I have no objection to raising it, if the Senate sees fit to do it, to 100 per cent.

Mr. SMITH of Georgia. The bill, however, that I am asked to help pass at once and be satisfied with, will not increase to national banks in Georgia their circulation more than eight

to ten million dollars, in my judgment, because they have already issued their 40 per cent in bond-secured circulation. I understand they are only permitted through this measure to come up to 75 per cent.

Mr. REED. The bank under this bill, as I understand it, if it is passed, is entitled to an amount of currency equal to 125 per cent of its capital and surplus. It must secure that under the present law by certain bonds, but if this bill passes it can secure——

Mr. SMITH of Georgia. Seventy-five per cent of it by commercial paper.

Mr. REED. Seventy-five per cent at once by commercial paper. I am willing and anxious to have that made 80 per cent. The Treasury Department has asked to have it made 8[illegible] per cent. So far as I am concerned, I would not object to going above that, because it makes commercial paper available, and I see no objection to commercial paper back of the Aldrich-Vreeland currency when commercial paper is to be back of the reserve-bank currency.

Mr. SMITH of Georgia. While the Senator is on his feet, I wish to call his attention to this language in the act of May 30, 1908:

> The term "commercial paper" shall be held to include only notes representing actual commercial transactions, which when accepted by the association shall bear the names of at least two responsible parties.

What does the Senator understand to be the limitation contained in the four words "representing actual commercial transactions"? Suppose for instance——

Mr. REED. As I understand it, it means paper that has been issued where goods, wares, or chattels have been actually purchased, the money obtained for the purpose of purchasing, but it is not an obligation upon which money is to be obtained for the purpose of a permanent investment. To use the illustration that was often used during the discussion, a man running a factory and borrowing money to build his factory would not be engaged in a commercial transaction; that is, the paper would not be regarded as commercial paper. If he borrows money to buy goods to use in his factory, which in turn would be put upon the market, so that the money would flow back and liquidate the debt, that would be regarded as commercial paper. There is plenty of that kind of paper in this country. A farmer borrowing money to buy cattle to feed would qualify under that provision, in my opinion. The idea is that the money is borrowed to be used for the purpose of buying something which in turn will be sold again and represents a regular commercial deal, not a permanent investment.

Mr. SMOOT. Mr. President——

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

Mr. SMITH of Georgia. Yes.

Mr. SMOOT. I have always understood that the notes represent actual commercial transactions. The law says only such notes as are taken in the regular business of the bank. In other words, a note given a bank for the purpose of getting commercial paper would not be a note taken in an actual commercial transaction.

Mr. SMITH of Georgia. Does the Senator know whether that construction has been placed upon it by the Treasury Department?

Mr. SMOOT. I do not know whether the question has ever arisen in the department, but I am quite positive that that is the meaning of those words.

Mr. SMITH of Georgia. That construction of the meaning of the language is perfectly satisfactory.

Mr. SMOOT. I do not think there is any doubt about it.

Mr. REED. It has been construed to this extent—in issuing the money that has already gone out. I understand all they have required are good first-class promissory notes guaranteed by the banks, and that is about the limit.

Mr. SMOOT. The only thing they want to know is that the note offered for security has passed in the regular way through the books of the bank and is an actual commercial transaction.

Mr. SMITH of Georgia. The commercial transaction is between the borrower from the bank and the bank.

Mr. SMOOT. Absolutely.

Mr. SMITH of Georgia. And not between the borrower and some third party.

Mr. SMOOT. That is exactly what the meaning of the law is in my opinion.

Mr. SMITH of Georgia. That was the meaning which I felt ought to be given to it, and if there was any doubt about it I felt the language ought to be changed so as to make it carry that meaning.

Mr. SMOOT. I do not believe the language could be made more clear.

Mr. SMITH of Georgia. I believe with the Senator from Utah that is a proper construction.

Now, Mr. President, I shall detain the Senate only a short time longer, and I may be justified in saying that much of the time I have been upon the floor has been yielded to other Senators and not consumed by myself.

I want to say a word about the claim of trouble in getting this money out through the State banks. First, I think it has been shown that probably in a number of States the State banks would not wish to use it at all. I think I have shown that in a number of States the State banks are closer to the place where the emergency currency is needed than the national banks. I think I have shown that they are perfectly solvent and entirely worthy of connection with the currency association.

I think we have brought to the attention of the Senate the fact that in those States where the emergency currency is now needed more than anywhere else the State banks are the banks whose relations to the spot where the emergency currency is required will facilitate the proper use of the money or the best use of the money to a far greater extent than would the mere extension of the emergency currency to the national banks.

Now, with reference to delay, I am entirely unwilling to concede that much time must be taken up in the Bureau of Engraving and Printing. I am not sure that the original bill meant a separate note for each separate bank. I am sure that we could perfect this amendment by providing that one note should be issued to the currency association of the State. It could be in numbers, and certain of the numbers could be charged up to each bank receiving it. None of these notes are going back to the bank that issued them for redemption. No national-bank note ever goes back to the bank that issues it for redemption. The national-bank notes when redeemed are redeemed at the Treasury. They do not go back to the banks, and these notes would not go back to the banks at all for redemption. They would go throughout the entire country, and a way can be found to obviate the necessity of engraving separate notes for each bank, one note for the State banks of a State, with a number on the note, a memorandum of that number to be kept so as to show the amount received by the bank. The engraving proposition can be overcome, so far as it involves any serious delay. Of course, if there was not a desire to make the act effective, it might take until next July to get out the notes; but I am sure I could find a way to have those notes ready in 30 days, long before the Federal reserve associations organize. I am glad to hear the Senator from Colorado say that he hopes that system will be in operation by the 1st of October, but I fear it will not be in operation by the 1st of October.

Inside 30 days after this act is passed, I have no doubt that the State banks could be in the currency association of my State, and, with proper cooperation here, they could be receiving the notes for use. I think under the act as it stands the Secretary of the Treasury would be authorized to issue notes to a currency association, bearing the name of the currency association, and numbers could be put on each note in the distribution to the respective banks. The matter could be handled in that way. If you give us this act, and we can secure the cooperation of the Treasury Department, in 30 days we shall be substantially relieving the situation in the State, the conditions of which I have especially studied.

Mr. President, I believe the national banks in Georgia will draw all the currency that they can under this amended law; but I think I satisfied the Senator from Utah [Mr. SMOOT] that his estimate of $15,000,000 was much too large. It would be only $15,000,000 more if they had the securities to put up, and if they had had them as required by the law they would have been up before now; they would have had the currency now. The admission of the State banks will, I am sure, result in the issue of about $10,000,000 more. I do not believe the two will give us more than the $15,000,000 which the Senator from Utah at first thought we would get. Perhaps the issue will reach between $20,000,000 and $25,000,000. I believe we can get, in 35 days after the passage of this proposed act, from $5,000,000 to $10,000,000 more of well-secured currency in the State banks. It is hard to estimate the value of such a contribution to the currency of the State, put in the hands of State banks, that deal with the people who are suffering most; it is hard to estimate the good that may be accomplished.

Mr. President, I thank the Senate. I had no idea of detaining the Senate so long.

Mr. SWANSON. Mr. President, it seems to me that the apprehension expressed by the members of the Banking and Currency Committee in regard to the successful operation of legislation extending this privilege to State banks is entirely unnecessary.

In the first place the Committee on Banking and Currency itself has considered this proposition favorably. The amendment contained in the act of August 4, 1914, was reported, as I understand, by the Banking and Currency Committee of the House of Representatives and was then passed in the House under a suspension of the rules. It then came as an amendment to the Senate bill. When this bill came back from the House of Representatives and was presented to the Senate for its consideration the Senator from Oklahoma [Mr. OWEN], chairman of the Banking and Currency Committee of the Senate, said on August 3, 1914:

Mr. President, I am authorized by the Committee on Banking and Currency to recommend the approval of the House amendments with an amendment and to ask an immediate conference.

The only amendment made in the other House which was disagreed to by the Banking and Currency Committee of the Senate was an amendment extending the privilege of issuing emergency currency to the amount of 125 per cent of the capital and surplus of the banks, the Senate being desirous of limiting it to 100 per cent.

The amendment of August 4 provided that qualified State banks should be given the privilege of the issuance of emergency currency, provided that within 15 days they should express a willingness to enter into the Federal reserve system. What does that mean? It means that the Banking and Currency Committee of the Senate, the Banking and Currency Committee of the House of Representatives, and the President of the United States, who signed the bill, had agreed to the wisdom of extending this privilege to the State banks.

When the State banks came to apply for the privilege of having this emergency currency, it was ascertained that Congress had not repealed the 10 per cent tax upon the issue of State banks. Consequently the act was not available unless that provision was repealed in the general law. The amendment which I suggested last Friday, and which is followed by the amendment offered by the Senator from Georgia [Mr. SMITH], provides for the repeal of this 10 per cent tax upon the issue of State banks, so far as emergency currency is concerned; upon all other currency issued by the State banks the 10 per cent tax will still be imposed, but it gives such banks the privilege of this emergency currency. In view of all the circumstances, the Committee on Banking and Currency of the Senate and of the House of Representatives, and those who have been most responsible in this matter, can not say they have not considered the proposition and considered it favorably. All State banks thought they had this privilege when the act was passed until they came to the Treasury Department, when they ascertained that by an oversight this 10 per cent tax had not been repealed.

Let us see what the situation is and whether or not this privilege can be safely extended to State banks. The Senator from Georgia [Mr. SMITH] has graphically portrayed the difficulties which exist in connection with cotton. There is now raging a world-wide war; it is almost as disastrous, financially and economically, in this country as if we were ourselves engaged in war. The markets of the world—the trade currents of the world—are all changed, are all unsettled; the prices of wheat and corn and meat and other products of food have increased as a result of the war; but there are certain agricultural products in this country and a few manufacturing enterprises which have been seriously affected by the war. The market for cotton has been practically closed, so far as one-half or two-thirds of the product is concerned.

The great tobacco interests of this country, in which many States are concerned, have suffered disasters equal to those inflicted upon the cotton industry. Certain kinds of tobacco have no market. The sale of tobacco is a governmental monopoly in Austria, in Italy, in France, and in some other countries. To-day a certain character of tobacco has no bidders; there is no market for it anywhere in the world. A large part of the cotton has no market.

What is the question presented to us? It is, Shall this Government permit the cotton to be bought for one-half the cost to produce it? Shall the Government permit the tobacco to be bought for one-half of the cost of production? Shall a great disaster come to millions of our people on account of a lack of credit? If there were never again to be a market for tobacco, if there were never again to be a market for cotton in the future, there would be no occasion for the Government to intervene, because it could afford no relief. If cotton for the next four or five years should sell at 5, 6, 7, or 8 cents a pound, there would be no use for the Government to intervene, because the disaster might as well be met promptly as later; but we are satisfied that in the future there will be a market for cotton; that there will be a market for tobacco; that there will be a market for the products of the industries which are now paralyzed on account of the world-wide war. We feel that the question is presented whether the Government shall promptly, vigorously, and effectively establish a system of credit by giving all the banking institutions of this country an opportunity to avail themselves of that credit to take care of the situation until the markets shall return. That is the only problem that is presented to us for consideration.

Take cotton. I am satisfied, as soon as the first effect arising from the war is over, that in five or six months the mills of the world will open for cotton, and there will be a sale for it in the markets of the world. I am satisfied that in six months the tobacco markets of the world will be open, and that there will be a profitable demand for the tobacco now held by millions of producers in this country. The question presented to us is whether we shall allow our great cotton crops and our great tobacco crops to be bought by speculators, who have credit on account of their wealth and can get those crops for half what they are worth, and afterwards sell them at a great profit, or whether this Government will come to the front and will permit credits that it can give to the banks, State and national, to be used for the great mass of the people to enable them to hold these great products until a profitable sale for them is found in the markets of the world? That is the problem that is presented; and I, for one, stand here and say that every agency of the Government should be utilized to protect the millions of producers of cotton and of tobacco and those engaged in other industries; that we should use the devices of the Vreeland-Aldrich law and of the Federal reserve system and of all other systems to permit these great crops to be held until an available market for them can be found in the world, and thus give the benefit of this credit to the masses of the people who produce these great crops instead of to a few speculators who, because of their own wealth, can get them for one-half the cost of production. That is the issue presented to the Senate to-day, and I hope the Senate will rise equal to the emergency and boldly and manfully use the power of the Government to extend credit, so that the producers of these crops can get the benefit of their production and not a few rich speculators who, having credit, are able to get them for one-half what they are worth.

Mr. CLAPP. Mr. President——

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

Mr. CLAPP. I have been called out once or twice, and I desire to ask the Senator from Virginia or the Senator from Georgia whether the amendment proposed by the Senator from Georgia in itself enlarges the ultimate, final, possible issue of emergency currency?

Mr. SWANSON. I will say that the amendment offered by the Senator from Georgia and the amendment offered by me allow the State banks, equally with the national banks, to secure emergency currency.

Mr. CLAPP. But will the amendment in itself, if adopted, enlarge the ultimate amount which could be issued under the Vreeland-Aldrich law and the amendments which have been made thereto?

Mr. SWANSON. It will.

Mr. CLAPP. To what probable extent?

Mr. SWANSON. The original Vreeland-Aldrich bill limited the amount which could be issued to $500,000,000.

Mr. CLAPP. Yes.

Mr. SWANSON. The bill passed on the 4th of August, 1914, abolishes that limitation, and there is now no limitation, except that the banks are not permitted to issue emergency currency to an amount in excess of 125 per cent of their capital and surplus. If this privilege is extended to State banks according to their capital and surplus, and if they avail themselves of it to the full extent, the amount of emergency currency which could be issued under the Vreeland-Aldrich law would be more than doubled.

Mr. CLAPP. I was getting at the ultimate possible increase; that is what I was seeking.

Mr. SWANSON. If this privilege be extended to the State banks in the same way that it is extended to the national banks, then the amount of currency that could be issued under the Vreeland-Aldrich law would be more than double what it is now.

Let us see what the situation is. The carrying of this emergency currency is more of a burden than it is a benefit. The banks are not clamoring for it, except in so far as they may benefit their customers. There are dangers connected with it; it may embarrass many banks. To carry the great cotton crop and the tobacco crop and the products of other industries which

are paralyzed by the present war is a burden more than it is a benefit.

The State banks come to Congress and say, "Permit us to share with the national banks in carrying this burden to save the people of 15 or 20 States from being reduced to bankruptcy and ruin." The more a burden is distributed the more safely it can be borne. We do not know how long the war will last; we do not know the demands which will be made upon credit, upon the banks, and upon the resources of this country, and it seems to me in the present emergency it is wise to let the burden and danger be borne both by the State and national banks.

The State banks can not aid the situation; they can not extend credit; they can not help to bear the burden of taking care of the cotton crop, the tobacco crop, and the lumber and copper and other industries of this country which are paralyzed on account of the war unless this privilege is extended to them. They simply ask to have the privilege in this emergency to use their resources, to use their credits, and to come forward on the financial battle field and patriotically serve the country in the same way that the national banks can do.

I have heard of no national bank antagonizing this proposition; I have heard of no national bank interposing an objection. It seems to me that the national banks are desirous that the State banks should help to take care of the situation, and help to save the great masses of the people who are engaged in the production of crops and in the conduct of industries which are being injured.

Mr. SMITH of Georgia. Mr. President, if the Senator will allow me to interrupt him, I feel sure that in the State where I live the national banks would prefer that the State banks come in and obtain for themselves the currency which they need, rather than secure it themselves and let the State banks have it at a rate charged. They would like to have the State banks cooperate in caring for the situation.

Mr. SWANSON. Mr. President, the rule of sense, the rule of wisdom, is that when an emergency confronts you it is best to obtain all the resources possible to meet it. We have banking capital in this country sufficient for the exigency. The banking capital of America exceeds the banking capital of any nation in the world. Neither England nor Germany nor France can surpass America in the amount of its banking capital, and all that is asked at this time is that the entire banking resources of America shall be marshaled, shall be utilized to take care of a serious financial condition precipitated on account of a world-wide war.

What danger would come from extending this privilege to the State banks? I recognize that the privilege should not be extended if the danger to the Nation was greater than the benefit accruing to the interests and sections affected. I recognize that the interests of the Nation as a whole are superior to local interests; and if the great financial system of America were jeopardized, if any element of danger were involved affecting the entire Nation on account of this privilege, I stand here, representing a great tobacco and a great cotton State, to tell you that Congress should not extend the privilege; but I can not see any danger that can accrue from it.

If this privilege is extended to the State banks, what must the State banks do? First, join a currency association. What capital and surplus are required of the banks constituting such a currency association? Five million dollars. No currency association can be organized if the capital and surplus of the banks composing it are less than $5,000,000. Then the currency association is responsible for all the currency issued by that association on the application of an individual bank.

Furthermore, you have behind every note issued by the State bank the capital and surplus of the banks forming a currency association, exceeding $5,000,000, and before a State bank can be privileged to get this currency it must present to the currency association assets, notes, and bonds satisfactory to them. The currency association or its representatives must pass on the sufficiency of the security offered.

It is not necessary to determine as to the condition of the bank, as the Senator from Colorado seems to imagine. If the bank is insolvent, if the bank can not pay its debts, it will make no substantial difference, so far as the value of the currency is concerned, for it is not issued on the solvency or insolvency of the bank; it is issued on splendid, unquestioned security, which the bank presents to the currency association. The individual bank comes with its notes and bonds to the currency association. The currency association makes an investigation and satisfies itself that the security offered is ample, without question and without doubt, for $100,000, we will say.

The currency association may throw out any bonds; it may throw out any notes; it may throw out any security offered. The bank may be insolvent, but yet the notes and securities which it presents to the currency association must be sufficient to satisfy the currency association that the bonds are worth dollar for dollar and that the commercial paper is worth dollar for dollar.

If the currency association is satisfied as to that, it approves the issuance of currency to the bank, and then the application is presented to the Comptroller of the Currency. He can institute any investigation he desires. He is required to be satisfied that securities offered purporting to be worth a hundred thousand dollars are really worth $100,000. Then what does he do? He presents the application to the Secretary of the Treasury, and the Secretary of the Treasury must be satisfied that the $100,000 worth of notes and securities are worth a hundred thousand dollars, and he can institute any investigation he desires. Then what is done? When these three sources are satisfied that the notes, bonds, and securities are worth a hundred thousand dollars, the bank can get $75,000 worth of emergency currency. What danger could come from giving that privilege to the State bank? Where would the loss accrue?

First, the currency association must be satisfied, then the Comptroller of the Currency, and then the Secretary of the Treasury; and after they are satisfied that the securities are worth $100,000 the bank can only secure 75 per cent of currency upon those securities. It seems to me the security is ample, that the investigation provides proper safeguards, and that the opportunity for evil is minimized. That is the situation.

The Senator from Colorado can not deny that is the method of procedure; he can not deny that that is wise; he can not deny that the same exaction, the same investigation, the same requirements are made as to the State banks, if they enter this system, as are made as to the national banks. The question of the solvency or insolvency of a bank does not arise. The question is as to the value of the securities presented as a basis for the issuance of emergency currency, and on that question three agencies must satisfy themselves.

Mr. LANE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Oregon?

Mr. SWANSON. I yield to the Senator.

Mr. LANE. I should like to ask the Senator a question. The bonds and notes and negotiable commercial paper which are presented as a basis for securing emergency currency up to 75 per cent of their value are all interest-bearing obligations, are they not?

Mr. SWANSON. The bonds given as security, I presume, are interest-bearing obligations.

Mr. LANE. The banks receive interest on the securities deposited, and then when deposited they can secure an issue of emergency currency amounting to 75 cents on the dollar and loan that out at such rate of interest as they see fit.

Mr. SWANSON. Yes.

Mr. LANE. It looks to me as if it would be a very profitable proposition to the bankers.

Mr. SWANSON. The banks pay 3 per cent for the first three months to the Government for this currency which they obtain, and then one-half per cent for every additional month until the rate reaches 6 per cent. As the Government does not wish to take the responsibility of passing on the solvency of A, B, and C, but desires to know that every note is absolutely good, and that it would not have to bring suit to collect it, the Government says: "I will charge you 3 per cent for three months, and at the end of nine months I will charge you 6 per cent for this currency."

Mr. LANE. And the difference between 3 per cent and whatever rate the banks loan the money out to their customers at accrues to the banks?

Mr. SWANSON. It accrues to the banks, but the banks take the responsibility of guaranteeing the payment of the notes.

Mr. SMITH of Georgia. Mr. President, this money is nothing but the notes of the banks; it is not Government money; the banks are allowed to issue their own notes up to a limited extent for certain purposes, the currency associations all being liable for the payment of the tax, which runs up to 6 per cent, to the Government.

Mr. SWANSON. And the bank guarantees further that when the notes constituting emergency currency are presented at its own counter it will pay it in greenbacks or gold the day it is presented.

Mr. President, with this situation, with these conditions confronting us, it seems to me that the Senate should extend this privilege to the State banks.

Mr. CLAPP. Mr. President——

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

Mr. SWANSON. I do.

Mr. CLAPP. I am a good deal impressed with the argument of the Senator from Virginia and the argument of the Senator from Georgia. I voted against the other measures, and, as a rule, I always vote against a so-called emergency measure, because usually it is either likely to involve a mistake, perhaps growing out of a sort of "brain storm," or a sinister influence is likely to get in its work. So I voted against them; but it does seem to me that if we are going to grant the extensions already provided for, there can be no valid argument made against extending this privilege to the State banks.

As I understand the situation, especially in the South, the banks, and largely the State banks, will be called upon to meet the condition which has arisen. The condition is local; but I concede that you can not have a widespread disaster in one section due to the shrinkage of the value of the tobacco and cotton crops, because of the impossibility of exportation, and the consequent terrific loss of credit, without affecting the whole country. I regard it as a national proposition, and can not see the justice of granting the extension we have granted and now refusing it to the very instrumentalities upon which the southern section of the country must largely rely. If the Senator will pardon me further, in proportion as the State banks avail themselves of this increasing volume of currency it will lessen the demand for the increase through other instrumentalities; and in the final round-up I should not think any more currency would be issued because the State banks are allowed this privilege than if they were not.

Mr. SWANSON. The conclusion of the Senator from Minnesota is entirely just and correct. The same amount of currency will be issued, because they will not issue the entire amount; they will issue it only so far as there is a demand. The only difference is that the burden will be distributed more generally, so as to make it safer. It will be a safer distribution of the burden of taking care of the present situation on account of the war to have the State banks and the national banks cooperating than it would be to leave it to one class of banks.

I am satisfied that the Treasury Department will exercise this power wisely.

Mr. CLAPP. Why, unquestionably, or else the whole system is radically wrong. Of course there is no question about that.

Mr. SWANSON. That is right.

Now, Mr. President, this simply gives to the Treasury Department the power to distribute the burdens incident to emergency currency over a larger sphere, with more people interested, and to diffuse both its burdens and its benefits more generally through the country. It will ultimately be left to the Secretary of the Treasury. I have a great deal of confidence in him. I believe that in the last 18 months, or since the present Secretary of the Treasury took charge of the Treasury Department, it has been administered unusually wisely and conservatively. I do not believe there has been a Secretary of the Treasury in my recollection who has measured up in a courageous, a prompt, and a splendid way to the requirements of the financial situation in a manner surpassing the present Secretary of the Treasury.

Twelve months ago, when every nation in Europe was preparing for war, when the rate of interest in Europe exceeded what it had been for years, when Germany and France and all the other nations of the world were increasing their gold reserves, when rates of interest were high, the Balkan War was raging, and the financial condition was worse than it was in 1907, when a great financial panic was precipitated in this country, I can not fail to recall that by the wise administration of the Treasury Department at that time in placing deposits all over the country to take care of business and not speculation, to take care of the enterprises of the country and not the man who wanted to buy a thing for half what it was worth and sell it for double later on, a panic was avoided. Money was not high in this country; and we passed through the crop movement of last August with less disturbance than we had ever had before, though our foreign disturbances were equal to any we have had for the last 10 or 15 years.

I am amazed at the success with which the Treasury Department is being administered at this time. With a world-wide war, with England, France, and Germany suspending the payments of gold, the banks of the United States are still making payment and our currency is at par, because the Secretary of the Treasury has been courageous, conservative, and prompt in extending relief. The business interests of this country, without partisan distinction, are extending to the Treasury Department a full meed of praise and commendation for its splendid administration, and it is rising up to meet this emergency courageously, conservatively, and successfully.

I believe in giving the Secretary of the Treasury, if occasion should arise, the power to call on the State banks of this Nation to be marshaled with their resources and with all their power to take care of the financial situation if this should be a prolonged war. I think it is wise to give the Secretary the power and the opportunity to marshal these resources and mobilize them, as was well said, if the occasion should arise.

Mr. JONES. Mr. President, will the Senator permit a question?

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

Mr. SWANSON. I do.

Mr. JONES. I merely wish to know whether the Secretary's opinion on this proposition had been asked for and secured.

Mr. SWANSON. The Senator can ask the members of the Banking and Currency Committee; but whether he has asked for it or not, I am not afraid to give him the additional power, because I believe it is wise for him to have it, and I can see no trouble that can come from it, because it can not be exercised unless he wishes to do it

I am not like some of those who believe this is going to be a short war. The chances are it will be a prolonged war, with long business disturbance. We may need the credit and the resources of all of our banks, and while this war is pending I for one think it is wise that all the banking resources of this country should be available to take care of the situation.

Mr. JONES. Will the Senator permit a further observation?

Mr. SWANSON. Yes.

Mr. JONES. I am afraid the Senator is right with reference to the war and its continuance; but it seemed to me that with the glowing tribute he has paid to the Secretary of the Treasury, which I do not dispute at all, it would be wise for Congress to get the judgment of this wise and experienced financier upon this proposition. I simply asked for information, to find out whether the committee or those who proposed the amendment had gotten any expression from the Secretary as to what he thinks of the wisdom of adopting the policy at this time.

Mr. SWANSON. The Senator may be satisfied that if the power is given—it is simply an authorization to the Secretary of the Treasury to extend to State banks the privilege that is now given to national banks—if no occasion should arise, if there should be no necessity for it, it will not be exercised. Whether he favors it or not, however, I am in favor of giving him this power, because I think it is wise to have this as a means to take care of the situation if the war is prolonged.

Mr. JONES. I take it, then, that the Secretary's judgment and opinion have not been asked with reference to it.

Mr. SWANSON. The Committee on Banking and Currency will give the Senator that information.

Mr. SHAFROTH. I will state that the introduction of this bill followed a conference between the chairman of the Banking and Currency Committee and the Treasury Department. Since that time we have talked with the Secretary—I talked with him this morning—and he is opposed to this amendment.

Mr. SWANSON. Mr. President, I am glad to see that the Senator from Colorado is here. He was out a few minutes ago, when I alluded to the fact that the amendment which I offered last Friday, and called to the attention of the Banking and Currency Committee, was simply an extension of the law which was passed on the 4th of August, 1914.

The amendment contained in the act of August 4, 1914, originated in the House of Representatives. It was considered by the Banking and Currency Committee of the House of Representatives, and it was thought wise there to extend to the State banks the privileges given to the national banks if they should express a willingness to come into the Federal reserve system. That bill passed the House of Representatives under a suspension of the rules, and I think almost without a dissenting vote. Thus the judgment, the wisdom, the experience of the House of Representatives and the Banking and Currency Committee of that body thought this was wise. It came to the Senate, and the Senator from Oklahoma [Mr. OWEN], speaking for the committee on August 3, said:

> Mr. President, I am authorized by the Committee on Banking and Currency to recommend the approval of the House amendments with an amendment and to ask an immediate conference.

As I understand, the amendment that the Senator desired to make to the House amendment was not an amendment to this provision extending the privilege to State banks, but an amendment limiting the amount of money that the national banks could get to 100 per cent of their capital and surplus, instead of 125 per cent, and also consenting to repeal the limitation of $500,000,000.

What does this mean? It means that the Banking and Currency Committee of the Senate had considered the proposition of extending this privilege to State banks, and after considering it, after weighing it, directed the chairman of that committee to express its consent to this amendment. That amendment was agreed to. The bill approved by the President; and the reason why it was not available to let them get the benefits and burdens now accuring was because it did not specifically repeal the 10 per cent tax upon the issues of State banks; and as it had been decided that the notes issued were not the notes of the currency association, but the notes of the individual banks, hence the 10 per cent tax should be imposed. All this amendment does is to carry out what the House of Representatives has directed to be done, what the Banking and Currency Committee of the House approved, what the Banking and Currency Committee of the Senate approved, and what the President approved—to make available the law so as to permit the State banks to have the same privilege that is extended to national banks, provided they express a willingness to join the Federal reserve system.

In conclusion, it seems to me this amendment is wise. It seems to me it is conservative. It seems to me the only way in which this burden can be properly broadened and extended to take care of the cotton crop and the tobacco crop is to let both the State and the national banks bear the burden and extend the credits. I, for one, think it is wise to do so, and I shall vote for this amendment extending that privilege.

Mr. CRAWFORD. Mr. President, will the Senator permit an interruption?

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

Mr. SWANSON. I do.

Mr. CRAWFORD. As I understand, if the bill which is before the Senate passes with the amendment offered by the Senator from Georgia, it, in connection with the legislation passed in August, will permit an issue of emergency currency amounting to about $1,000,000,000. Now, if we extend that provision so that all the State banks can come in and stand upon the same footing, and issue emergency currency to the extent of 125 per cent of their capital and surplus, with the conditions prevailing all over the country, does not the Senator have some apprehension that it may end in a depreciated currency, because of the enormous flood of it which may issue under pressure, and that it will be received by the public with apprehension that it will become depreciated, and, consequently, the unquestioned money of the country—the gold certificates and the other issues that have the absolute confidence of the country—may be hoarded, and the effect of this may cause an intensifying of the tendency to hoard, so that it may really in effect operate in just the opposite direction from the one the friends of this amendment expect?

My mind is open upon this question. I heard the Senator from Georgia [Mr. SMITH]. A situation like that which we are told exists in the South must appeal to everyone; but I have some apprehension that the effects of this thing, if we throw down the bars and extend these provisions to all the State banks, may depreciate this class of currency and cause the hoarding of the currency we now have—some $35 per capita. Has the Senator no fear of a consequence of that kind following?

Mr. SWANSON. If the Senator will permit me to reply to his question and suggestion, I will say that I think the worst calamity that could befall this country would be a depreciated currency at this time; and I think it is of the utmost importance that all our currency shall be kept at a parity. There is no reason why this shall not be done. If this $1,000,000,000 of currency could be issued just on the will and wish of the banks, without certain conditions being attached to its issuance, the calamity anticipated by the Senator might possibly occur.

Let us see, however, the conditions upon which this currency would be issued to State banks and to national banks. The Senator was not present when I was discussing in detail the method of issuance.

A State bank must first join a currency association. The currency association must have a capital of not less than $5,000,000. Of all the conservative men in America, the most conservative are the bankers. Ninety-nine times out of a hundred bankers are conservative, and generally more conservative than the occasion requires. It is only the exception that a banker is wild and reckless. Bankers are naturally conservative people. If a State bank asks for this issue it must first get the concurrence and approval of the currency association, composed of the most conservative men in this country, who are interested in keeping at par their national-bank notes and all other currency. When it gets the consent of the currency association it must do more than that. It must go and get the approval of the Comptroller of the Currency, who knows the situation all over the United States.

I wish to say, having known the present Comptroller of the Currency nearly all my life, that he is a man of ability, breadth, patriotism, sense, and conservatism, united with courage. The present Comptroller of the Currency understands finance practically and also theoretically. In all the conversations I have had with him he has been conservative but courageous in meeting situations and has recognized the absolute importance of keeping at par every dollar of circulating medium in this country.

When you get the approval of the Comptroller of the Currency you must do more than that. You must get the approval of the Secretary of the Treasury, first, that the local currency is needed and, second, that it is wise to issue it. Consequently, with these three vetoes on it, and the State banks naturally conservative, my judgment is that they will not issue too much currency, but that the banks will not be courageous enough to take care of the present situation and you will have more losses than you ought to have and would have if the banks were a little more courageous and a little less conservative.

Now, that is my judgment. That is the method by which this money is issued. We have all possible safeguards around it. I can not conceive of better safeguards; but we do more than that. What else must they do? They must present $100,000 worth of bonds and unquestioned securities in the way of commercial paper that this currency association must pass upon. They must pass upon its solvency and its market value under present market conditions—not what it will be worth next week, next month, or in the next six months, but what it is worth to-day—and that value must be approved by the currency association, which is responsible for these notes if the bank can not pay them and if the security is not good. Then, in addition to that, the Comptroller of the Currency must also pass on the solvency of this security, besides passing on the necessity of issuing currency, and the Secretary of the Treasury must do likewise; and when they do that the bank gets only $75,000 of currency for $100,000 of security.

I do not know any currency anywhere issued under safer conditions, with more investigation, better security, or better devised to distribute the burdens and the benefits accruing from its issuance than the conditions under which it is proposed to extend this privilege to all the great banking system of America. I think one of the blessings of our banking system is that we have a dual system—a national system and a State system; that we have savings banks and trust companies, answering various demands and carrying different kinds of burdens, that have aided in the wonderful development of this mighty Nation.

In this emergency, in this hour of trial and tribulation, it seems to me that wisdom dictates that all the resources of the country should be marshaled or mobilized. As the Senator from Minnesota [Mr. NELSON] said, while the other nations are mobilizing their armies, we will mobilize our bank resources to take care of the business and the industries of 100,000,000 people.

Mr. CLAPP. Mr. President, will the Senator pardon me?

Mr. SWANSON. I yield to the Senator from Minnesota.

Mr. CLAPP. Without suggesting any want of force in the Senator's argument, it seems to me there is one point that he failed to emphasize in answer to the inquiry of the Senator from South Dakota [Mr. CRAWFORD].

Taking the South as the point of consideration here, there will come a time when the demand for money will be so great, the rate of interest will be so high, and the relation of the security to the amount that may be borrowed so great, that money will be coming from somewhere to meet that condition. Now, so far as that money is emergency currency, it will be added to our currency. It will come at a time when credit will have suffered there, so that it will be bound to be reflected throughout the country. That being true—that under this law the money will come from some source—it seems to me it is the part of wisdom for us to equip the State banks of that locality with the instrumentality by which they can meet that condition; and in proportion as they meet it, it will lessen the probability of an increase of currency somewhere else to meet it. It will be more apt to come before widespread disaster ensues, which would be reflected upon the country at large.

So long as we have this bill, so long as we have made provision for an emergency currency, it occurs to me that there will be no more inflation if we let that be done where it should be done, where the security primarily is located, where the knowledge of that security abides in the minds of those through whose

instrumentality the currency will be issued, and where it may be issued in time to avoid widespread disaster, rather than to withhold this instrumentality, subject them to the disaster, and yet finally have the additional currency issued somewhere else.

Mr. SWANSON. The suggestion of the Senator from Minnesota is indeed wise and in accordance with sound judgment. His contention is that you had better have the expansion come naturally and from the demands of the community where the demand is known rather than artificially, and try to force money where it is not wanted.

Mr. CLAPP. Yes; that is my point exactly.

Mr. SWANSON. It is forcing money where it is not wanted that produces disaster. It is having a surplus of money that produces disaster. Under the system of extending to all banks the right to take out this emergency currency at all times, currency is issued according to a natural demand and not an artificial demand, as suggested by the Senator from Minnesota.

In conclusion, Mr. President, I hope the Senate will vote to approve the wisdom of the Banking and Currency Committee of the House, the Banking and Currency Committee of the Senate, the Senate and the House of Representatives themselves, and the President, who has signed a bill extending this privilege to State banks; and the reason why it has not been actually extended is from the simple fact that the committee forgot to repeal the 10 per cent tax upon the issues of State banks.

I hope we will all adhere to the wisdom that has been exhibited by these various bodies representing us, and that the committee itself will adhere to its wise position heretofore taken and allow the State banks of this Nation to be utilized to bear the burdens of taking care of the financial, economic, agricultural, and manufacturing interests of this Nation in this great emergency, and allow an army twice as large as the national Army to come in and help take care of the situation.

I ask to have a copy of my amendment printed as part of my remarks.

The PRESIDING OFFICER. Without objection, that may be done.

The amendment is as follows:

Amendment intended to be proposed by Mr. SWANSON to the bill (S. 6398) to amend section 1 of an act approved May 30, 1908, entitled "An act to amend the national banking laws," viz: At the end thereof add the following:

The act approved August 4, 1914, entitled "An act to amend section 27 of the act approved December 23, 1914, and known as the Federal reserve act," is hereby amended by striking out the last section, beginning with the word "*Provided,*" and inserting in lieu thereof the following:

"*Provided further,* That the Secretary of the Treasury is further authorized to extend the benefits of this act to all qualified State banks and trust companies which have joined the Federal reserve system or which may contract within 30 days after the passage of this act to join.

"The provisions of sections 19, 20, and 21 of the act entitled 'An act to amend existing customs and internal revenue laws, and for other purposes,' approved February 8, 1875, shall not apply to currency issued under this section."

Mr. SHAFROTH. Mr. President, if no other Senator desires to speak, I think we had better have a vote; but I wish to say just a word before that is done.

I do not want to repeat the argument I have made, but I desire to say to the Senator from Virginia that the amendment to which he referred, the act of August 4, 1914, did not come before our committee. It was put in by the House. It was drawn by the Senator from Missouri after the bill passed the Senate and was adopted by the other House. It may be the chairman of the committee asked individual members whether it was satisfactory; it was a conference report; but I mean there was no discussion, there was no deliberation upon it, and consequently it has not the sanction of a thorough examination and investigation.

I wish to say, further, that it seems to me the banks in the South have a complete remedy and that it will be in operation and that they can get the money they want by going into the Federal reserve system. Then they can hypothecate this very character of security and get even more money than they could under the Aldrich-Vreeland Act. That does not involve any conflict of jurisdiction. It seems to me it is an absurdity for a national government to issue money for a State bank—not for a State itself, but for a State bank. It results in mixing jurisdictions, so that it is not wise to adopt it.

The other provisions I have referred to in my argument here, it seems to me, are such as to convince us that we ought not to mix these two systems.

Lastly, it seems to me that it is impracticable to appoint examiners, have them examine these banks, and in addition to that have this currency engraved and issue it and organize all these matters; that the Aldrich-Vreeland Act would expire before that could be done, and consequently the amendment would be inoperative.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Georgia [Mr. SMITH].

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

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Goff	Overman	Smith, Mich.
Bankhead	Hughes	Perkins	Smoot
Bryan	Jones	Pomerene	Sterling
Camden	Kern	Ransdell	Swanson
Chamberlain	Lane	Reed	Thomas
Chilton	Lea, Tenn.	Robinson	Thornton
Clapp	Lee, Md.	Saulsbury	Vardaman
Clarke, Ark.	McCumber	Shafroth	West
Crawford	McLean	Sheppard	White
Culberson	Martine, N. J.	Shields	Williams
Fall	Myers	Shively	
Gallinger	Norris	Smith, Ga.	

The PRESIDING OFFICER. Forty-six Senators have answered to their names. There is not a quorum present. The Secretary will call the list of absentees.

Mr. BRADY, Mr. PITTMAN, Mr. PAGE, Mr. FLETCHER, and Mr. NELSON entered the Chamber and answered to their names.

The PRESIDING OFFICER. Fifty-one Senators have answered. A quorum is present. The question is on the amendment of the Senator from Georgia.

Mr. REED. Mr. President, if I am not interrupted, I think I will get through in about five minutes; but I want to make a statement before we vote on this amendment.

I do not think this particular amendment ought to be adopted. It makes no provision for the examination of the State banks or trust companies. It affords no safeguards whatever, except the mere discretion of the Secretary of the Treasury who might refuse to issue the money. It repeals all the act of February 8, 1875. The act of February 8, 1875, contains many other provisions than those which relate alone to the tax upon State-bank circulation. I do not think that this particular amendment is sound, although I have some sympathy with the principles involved.

The Senator who presents it stated that the difficulty arising from the fact that these notes are redeemable at the counters of the bank that issues them could be met without having special plates prepared for each bank by adopting a system of numbering the bills. Manifestly the person holding the bill would not know by the number the bank that issued it. The Government might know. The name of the bank would not appear upon the bill.

I will make this further statement: I am advised that the national banks of Georgia and other Southern States are clamoring for money which, of course, they expect to use in their respective States, and that they have commercial securities which they can use. It is the purpose of this bill to permit them to use 75 per cent of the commercial securities, which means that upon commercial securities alone an amount nearly equal to their capital and surplus could be issued to these banks, and I shall ask that that amount be raised to 80 per cent, which is the recommendation of the Treasury Department.

There is another amendment to be presented here which removes some of the objections I have offered to the amendment proposed by the Senator from Georgia. I think this particular amendment at least ought to be defeated, regardless of what may be done with the principle involved, and which is, I think, better expressed in the amendment of the Senator from Virginia [Mr. SWANSON].

I think the real remedy coming to these banks is in permitting the use of good commercial securities instead of bonds, because the country banks, and by that I mean all the banks outside of great cities, have an abundance of commercial securities, whereas they do not have the bonds. The banks of New York City and of other large cities did have bonds and have already taken out large amounts of this currency. The real relief will come through enabling the banks to use the good securities that they have.

Now, I have just one observation to make in closing. The difficulty to-day is not so much in lack of money as it is in the destruction of the cotton market. We can not restore that market. We can make it reasonably easy to get some money to tide over the condition temporarily, but if we go too far or if we go too fast we may shake confidence in our financial system of currency, the gold will go into hiding, and the unquestioned currency of the country will go into hiding faster than all the printing presses of the Government can make new money.

So I think we ought to go along slowly and carefully and at the same time we ought to be courageous enough to do everything that can be done to remedy the existing conditions.

Mr. GALLINGER. Mr. President, I was interested in listening to the observations of the Senator from Missouri [Mr. REED]. What I do not know in reference to financial matters would make a large volume, and what I do know could easily be written on a single page. But notwithstanding that fact, I am considerably disturbed over this proposition to expand our currency to the extent that has been suggested. I remember reading about the South Sea bubble and about the exploitation of John Law in France a good many years ago, and they both came to grief. It does seem to me that if we continue to build this pyramid of credit, issuing almost unlimited quantities of currency, we are liable to share the same fate.

As I understand the matter, under the amendment to the Aldrich-Vreeland Act already something over a billion dollars has been issued of this currency, and it has been suggested by Senators who know more about this matter than I do that if this bill passes and the opportunities that it gives are taken advantage of, the currency may be still further increased to between two and three billion dollars. Likely that would not happen, but a very considerable part of it will happen.

Mr. President, I sympathize with the needs of the South in this emergency and am willing to go as far as I can by my vote to give relief, but I want to sound a note of warning—and what I know comes from my reading of history—that there is danger in our great desire to do a proper, perhaps, and a generous thing to go beyond the point of safety. As I remember it, when we were in a normal condition, not a great while ago, the entire money of the Nation that was in circulation was a little over $2,000,000,000. I think I am right about that. Now we have added another billion to it. How many more billions can we add without running the risk of the entire system toppling over and a financial disaster overtaking the country that would be most serious in its consequences?

For that reason, Mr. President, as a matter of caution, as a matter, I think, of sound action, I shall vote against this amendment, and I shall likewise vote against the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia [Mr. SMITH].

Mr. SHAFROTH. On that I call for the yeas and nays.

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

Mr. CLARKE of Arkansas (when his name was called). I have a pair with the junior Senator from Utah [Mr. SUTHERLAND]. If he were present, I should vote "yea."

Mr. FLETCHER (when his name was called). I have a pair with the Senator from Wyoming [Mr. WARREN]. In his absence I withhold my vote.

Mr. GALLINGER (when his name was called). I have a general pair with the junior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the Senator from Illinois [Mr. SHERMAN] and vote "nay."

Mr. GOFF (when his name was called). I have a pair with the senior Senator from South Carolina [Mr. TILLMAN], and therefore withhold my vote.

The PRESIDING OFFICER (when Mr. ROBINSON's name was called). I have a pair with the Senator from Michigan [Mr. TOWNSEND]. I also have an arrangement with that Senator by which in the event it becomes necessary to constitute a quorum I can vote. For the present I withhold my vote.

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT], and therefore withhold my vote.

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from Kansas [Mr. THOMPSON] and vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT], and therefore withhold my vote. I desire to be counted as present and not voting.

Mr. WALSH (when his name was called). I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. He being absent from the Senate I withhold my vote, unless it is necessary to make a quorum.

Mr. WILLIAMS (when his name was called). I announce my pair with the senior Senator from Pennsylvania [Mr. PENROSE] and the transfer of that pair to the junior Senator from South Carolina [Mr. SMITH]. I ask that this announcement may stand for the day. I now vote "yea."

The roll call was concluded.

Mr. SMOOT. I desire to announce the unavoidable absence of my colleague [Mr. SUTHERLAND]. He has a general pair, as stated by the senior Senator from Arkansas [Mr. CLARKE]. I will allow this announcement to stand for the day.

Mr. CULBERSON. I transfer my pair with the Senator from Delaware [Mr. DU PONT] to the Senator from Arizona [Mr. SMITH] and vote "yea."

Mr. GALLINGER. I submit the following pairs for the RECORD:

The senior Senator from Maine [Mr. BURLEIGH] with the Senator from New Hampshire [Mr. HOLLIS];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Wyoming [Mr. CLARK] with the Senator from Missouri [Mr. STONE];

The Senator from North Dakota [Mr. GRONNA] with the Senato from Maine [Mr. JOHNSON];

The Senator from Wisconsin [Mr. STEPHENSON] with the Senator from Oklahoma [Mr. GORE]; and

The Senator from Massachusetts [Mr. WEEKS] with the Senator from Kentucky [Mr. JAMES].

Mr. REED. My colleague [Mr. STONE] is necessarily absent from the Chamber. I was requested by him to state that if he were present, for the reasons which have been advanced, he would vote "nay." In his absence my colleague is paired with the Senator from Wyoming [Mr. CLARK].

Mr. GOFF. I transfer my pair with the senior Senator from South Carolina [Mr. TILLMAN] to the Senator from Connecticut [Mr. BRANDEGEE] and vote "nay."

Mr. PAGE. I wish to state that my colleague [Mr. DILLINGHAM] is necessarily absent. He is paired with the senior Senator from Maryland [Mr. SMITH].

Mr. SWANSON. My colleague [Mr. MARTIN] is paired with the senior Senator from Idaho [Mr. BORAH]. My colleague is detained from the Senate on account of sickness in his family.

Mr. FLETCHER. I transfer my pair with the Senator from Wyoming [Mr. WARREN] to the Senator from Nevada [Mr. NEWLANDS] and vote "yea."

The result was announced—yeas 32, nays 19, as follows:

YEAS—32.

Ashurst	Fletcher	Norris	Smoot
Bankhead	Kenyon	Overman	Sterling
Brady	Kern	Ransdell	Swanson
Bryan	Lane	Sheppard	Thornton
Chamberlain	Lea, Tenn.	Shields	Vardaman
Chilton	Lewis	Simmons	West
Clapp	Myers	Smith, Ga.	White
Culberson	Nelson	Smith, Mich.	Williams

NAYS—19.

Burton	Hughes	Martine, N. J.	Pomerene
Camden	Jones	Oliver	Reed
Crawford	Lee, Md.	Page	Shafroth
Gallinger	McCumber	Perkins	Shively
Goff	McLean	Pittman	

NOT VOTING—45.

Borah	Gore	Owen	Sutherland
Brandegee	Gronna	Penrose	Thomas
Bristow	Hitchcock	Poindexter	Thompson
Burleigh	Hollis	Robinson	Tillman
Catron	James	Root	Townsend
Clark, Wyo.	Johnson	Saulsbury	Walsh
Clarke, Ark.	La Follette	Sherman	Warren
Colt	Lippitt	Smith, Ariz.	Weeks
Cummins	Lodge	Smith, Md.	Works
Dillingham	Martin, Va.	Smith, S. C.	
du Pont	Newlands	Stephenson	
Fall	O'Gorman	Stone	

So the amendment of Mr. SMITH of Georgia was agreed to.

Mr. OVERMAN. I offer the following amendment.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. Add a new section to the bill, after the section just agreed to, as follows:

SEC. 3. That it shall be the duty of the Secretary of the Treasury, under such rules and regulations as he may deem necessary, to provide that the notes to be issued by the banks in the States of Texas, Arkansas, Oklahoma, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, and Tennessee shall be loaned by said banks as far as practical to the producers of cotton at not to exceed 6 per cent per annum.

Mr. SMOOT. Mr. President, I am not going to take much of the time of the Senate; but I do not believe that an amendment of this kind ought to be offered to this bill. I do not believe in the principle of it. I do not believe it is necessary, and I do not think it is going to help at all in the distribution of this money. If this emergency currency is going to assist the farmers in the South—and that is the only reason why it should be issued and why the former amendment was adopted by this body—it will be by the banks receiving the emergency currency and issuing it to the farmers, and, as far as the rate of interest is concerned, that will conform to the regular rate charged.

Mr. THOMAS. Mr. President——

Mr. SMOOT. I sincerely hope that the amendment will not be agreed to.

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

Mr. SMOOT. I do.

Mr. THOMAS. Does not the Senator believe that by the adoption of this amendment the result would be to enable the planters of the South to get certain kinds of money at 6 per cent and also at the same time to get all other kinds of money at such per cent as the requirement of the time may demand?

Mr. SMOOT. The amendment as offered is not even mandatory; it is only by way of a suggestion, and therefore it is not necessary. I want to say, also, if it were compulsory I would doubt very much whether any of the emergency currency would be loaned with other money held by the banks.

Mr. THOMAS. It seems to me we might just as well attempt by legislation to prevent the operation of the law of gravity.

Mr. SMOOT. Nearly so, I will admit.

Mr. SWANSON. I should like to ask the Senator a question. I understand the national-bank law provides that no national bank shall loan any of its money, including national-bank notes of issue, in excess of the legal rate of interest fixed in that State. I understand that the currency issued under the Vreeland-Aldrich Act, except so far as separated by the terms of the act, is the same as national-bank currency issued and subject to its provisions. I understand the currency issued under the Vreeland-Aldrich Act is subject entirely to the interest rate fixed by the law of each State, and this would be an effort, I understand, on the part of the Federal Government to interfere with the rate of interest fixed by the State.

Mr. SMOOT. I did not want to go into all the details, but there is not any question that that would be the effect of the amendment. I do not believe that it is a good position for the Senate to take and I do not believe it ought to take it.

Mr. MARTINE of New Jersey. Mr. President, I am surprised at the amendment proposed. I love the South, but better I love my country. I can see no reason why we here in the Senate of the United States should pass a measure making fish of one and fowl of the other. Why, pray, should it be made to apply to particular Southern States? They are pressed, as they tell us, because of the failure to sell their cotton crop. So, too, are the farmers of Illinois; so, too, are the farmers of New Jersey pressed because of the failure to sell their products. So, too, are a thousand manufacturers in the States of New Jersey, Pennsylvania, and New York. All are suffering the same distress. If this bill is to be a panacea, as has been told us by the Senator from Georgia [Mr. SMITH], for all ills and woes, then I ask why in the name of heaven and justice should the South have a special share of it?

As I have said, my identity with the South in early days was close. My love for her and her people and my sympathy for her condition in the exigencies of the times through which she is passing go out to her; but at the same time I feel that we are here for broader purposes and not simply to legislate for a few States. We are here to legislate for the whole Union, and I shall vote with all the earnestness and zest of my nature against the proposed amendment.

Mr. OVERMAN. Mr. President, I do not care to discuss the amendment. It is a proposition to make the loan under rules and regulations. The idea is to get the Secretary of the Treasury to confer with banks and see if the people who are now suffering can not get this money loaned out at 6 per cent.

Mr. MARTINE of New Jersey. They are all suffering. Paterson is suffering. I can find them suffering in Philadelphia.

Mr. SWANSON. I understand that at the end of nine months this currency bears a tax of 6 per cent?

Mr. OVERMAN. That is right.

Mr. SWANSON. And there is no time fixed for its retirement except so far as the interest rate may retire it. Then if this amendment is adopted, at the end of nine months the banks would be taxed 6 per cent and would simply get 6 per cent for the risk of loaning it?

Mr. OVERMAN. My idea in introducing the amendment the other day was to reduce the rate so that farmers could borrow. This will come back in nine months. They will not loan money for a greater time than three or four months.

Mr. SWANSON. But I understand at the end of nine months it pays a 6 per cent tax, and there is no time to retire this money. At the end of nine months, if the banks pay 6 per cent and simply loan it at 6 per cent, they will demand at that time payment.

Mr. OVERMAN. The banks can not increase the 3 per cent.

Mr. SWANSON. It is only 3 per cent for 90 days.

Mr. OVERMAN. For 90 days.

Mr. SWANSON. Mr. President, it seems to me the effect of this amendment would be that at the end of six months, if the currency were out in the country, it would force liquidation and bankruptcy throughout the entire South, and absolutely defeat the purpose which the Senator has in view.

Mr. OVERMAN. At what rate would the Senator have the money loaned out?

Mr. SWANSON. At the rate fixed by the State. I think the people of North Carolina have sense and judgment enough to know what rate of interest should be fixed in that State; and if they have not, I misconceive the judgment and wisdom of the people of the State.

Mr. OVERMAN. The people of the State of North Carolina have a rate of interest fixed at 6 per cent.

Mr. SWANSON. If they have a rate of interest fixed, they can control this matter entirely. If the emergency currency is loaned out at an excessive rate, the Legislature of North Carolina can meet and fix the rate at 5 per cent.

Mr. OVERMAN. Mr. President, the Legislature of North Carolina only meets every two years; and, as was stated here the other day, the banks have a way of getting around the law. I am going to introduce another amendment shortly providing that the banks shall not, directly or indirectly, loan money at a greater rate of interest than that fixed by law.

Mr. CLARKE of Arkansas. I ask that the amendment be again stated. I do not know whether Arkansas is included in the list.

The VICE PRESIDENT. The amendment proposed by the Senator from North Carolina will be stated.

The SECRETARY. It is proposed to add after the section just agreed to the following:

SEC. 3. That it shall be the duty of the Secretary of the Treasury, under such rules and regulations as he may deem necessary, to provide that the notes to be issued by the banks in the States of Texas, Oklahoma, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, and Tennessee shall be loaned by said banks, as far as practical, to the producers of cotton at not to exceed 6 per cent per annum.

Mr. CLARKE of Arkansas. Mr. President, may I ask the Senator from North Carolina why he omitted Arkansas from the list of States enumerated in his amendment?

Mr. OVERMAN. I did not intend to leave out any cotton States. I will ask to add Arkansas, because Arkansas is one of the leading cotton States of the Union. I thought I had included all the cotton States, and its ommission was my mistake.

Mr. REED. I should like to ask a question about the amendment.

The VICE PRESIDENT. The State of Arkansas is now included in the amendment.

Mr. CLARKE of Arkansas. The Senator from North Carolina asks permission to modify his amendment, and it is entirely within his competency to do so.

The VICE PRESIDENT. The amendment has been so modified.

Mr. OVERMAN. I will answer the question of the Senator from Missouri.

Mr. REED. I wish to ask the Senator from North Carolina if he thinks it is a practical thing, in putting this money out, to segregate it from the other moneys of the bank and then segregate the customers of the bank and loan the money so that it will go only in a certain channel?

Mr. OVERMAN. This money is sui generis; it is different from any other kind of money. It is issued for a different purpose from any other money; it is issued for the purpose of helping the people. That is the purpose of the issuance of this emergency currency. It is issued in a time of distress. England has just reduced her rate of interest to 5 per cent for her people. We could reduce the rate to 6 per cent for the people of our States who are suffering.

Mr. REED. I am not talking about the rate of interest. I am talking about the direction which the Senator is putting into his amendment, and which applies not only to the money that may be issued to the State banks but to the money that is to be issued under the Aldrich-Vreeland Act to all the banks in the particular States he has named in his amendment. I want to know how he proposes to have the banks transact this business—if he proposes to have the banks set aside this particular money in one pile and loan that only to cotton producers?

Mr. OVERMAN. It is to be done under such rules and regulations as the Treasury Department may prescribe. The money from this fund is to be loaned to cotton farmers at 6 per cent; but the banks can loan their other money to anybody else at 7 or 8 or 10 per cent, if they desire to do so.

Mr. REED. I am not talking about 6 per cent; I am talking about that clause in the Senator's amendment which provides

that the money which is to be issued shall be loaned, as far as practicable, to farmers who produce cotton. How is that going to be done?

Mr. OVERMAN. By rules and regulations to be prescribed by the Secretary of the Treasury.

Mr. REED. I want to say to the Senator that, in my humble judgment, that is not only impracticable but—well, I can not, in view of the profound respect in which I hold the Senator, use the adjective I was going to use, so I will not employ it.

Mr. OVERMAN. The Senator might as well employ it.

Mr. REED. More than that, it will work exactly to the converse of what the Senator desires. What the Senator desires is to relieve the financial condition of his community, of his State, and of all other Southern States, to make as nearly as possible a substitute for a cotton market by furnishing money which will enable the carrying of cotton. Now, here comes in a farmer who wants to borrow some money and who has some cotton; here is a merchant who has bought a lot of cotton and has already put his money into it. Does the Senator from North Carolina think he will help the cotton market by saying to the merchant, who has already purchased the cotton, "You can not borrow money upon it"? I think he will hurt the cotton market.

Mr. OVERMAN. If it reduced the rate all along the line to 6 per cent——

Mr. REED. I am not talking about rates; I am talking about the direction that the money shall be loaned, not to holders of cotton, not to owners of cotton, but to the producers of cotton. That is what I am talking about.

Mr. OVERMAN. There would be plenty of money to loan to merchants and manufacturers. Banks have sufficient money for that purpose.

Mr. REED. Whenever you tie a hobble to this money and say it can only be used for one purpose, you to that extent destroy the value of the money.

Mr. OVERMAN. Does the Senator think we destroy the value of the money by making the interest rate 6 per cent?

Mr. REED. The Senator from North Carolina will go back to the provision in regard to the 6 per cent interest rate. I am not talking about 6 per cent.

Mr. OVERMAN. I can not understand the Senator; I must be very obtuse.

Mr. REED. Mr. President, on examination I find the amendment is worse than I thought it was. Let us read it and see just where we are coming out in the practical application of the amendment. I am only going to spend a moment on it. Then, if Senators from the cotton section of the country want this amendment, I shall have nothing further to say about it. I want to call attention to it; that is all. The amendment reads as follows:

SEC. 3. That it shall be the duty of the Secretary of the Treasury, under such rules and regulations as he may deem necessary, to provide that the notes to be issued by the banks in the States of Texas, Arkansas, Oklahoma, Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, and Tennessee shall be loaned by said banks as far as practical to the producers of cotton at not to exceed 6 per cent per annum.

What does that mean? The Secretary of the Treasury has the duty imposed upon him to see that this money is loaned to the producers of cotton; and, further than that, that the producers of cotton shall have it at 6 per cent. All the rest of the people may be charged any rate of interest the banker desires to charge, so far as this amendment is concerned.

Mr. OVERMAN. That is not the case, if the Senator pleases; that is too broad. The bank would have to charge the rate prescribed by the State.

Mr. REED. Very well. If the rate prescribed by the State is less than 6 per cent, and is to be followed, this amendment is dead so far as that State is concerned, for it will do nothing. If it is 6 per cent, as specified here, the amendment will be innocuous, for it would not affect the situation. It is only when the ordinary rate of interest is more than 6 per cent that this amendment can have any effect. Therefore, giving it now a practical application, we will take a State where the average rate of interest is 7 per cent. Two men, we will say, come up to borrow money from the bank. The provision is that if you lend money to a cotton planter you can not charge him more than 6 per cent, but you may charge the merchant, the mechanic, the corn producer, and other people 7 per cent. Accordingly, the bank will loan to everybody except the cotton producer; that is all there is to it. The cotton producer, instead of getting a benefit, will be cut off from the benefit.

If any Senator wishes to do that, and to classify the citizens of his State, well and good. The effect will be that the cotton producer will not get the money unless the rate of interest generally is 6 per cent or less; and in that event the amendment does nothing.

Mr. CLARKE of Arkansas. Mr. President, this amendment is intended to deal with a situation which must be understood before it can be rationally criticized. In the cotton-growing region every branch of industry except that of producing cotton is normal, and the ordinary banking funds available for business of that character are ample to take care of the interests other than the cotton-growing business. An emergency has arisen which calls for the exercise for the time being of the extraordinary powers of the Government, which in this particular instance takes the form of an emergency currency.

In the South there is no possible excuse for any enlargement of the volume of the circulating medium except in connection with the cotton business. Other branches of business rely upon the normal banking organization of that section, and they do not rely in vain.

It is not only ample, but it is extended along lines as liberal as safe banking will permit. It becomes necessary to invest a certain amount of money in an oversupply of cotton in order that there may be withdrawn from an insufficient market a surplus which presently will have a market. If the ordinary funds of the community are invested in that way, it will create a shortage as to other industries. The Government of the United States steps in at this stage and says: "We have machinery by which currency can be provided for just such emergencies as this; and, if the people of the South choose, they can avail themselves of that agency for the purpose of investing the money thus supplied to them in this surplus of cotton, in order that it may be withheld from the market." We understand perfectly well that we have in our hands a remedy for an oversupply, if it shall extend beyond the present year.

Under this amendment this particular money is principally and primarily dedicated to the emergency which called it into existence, and that is in connection with the cotton business. If a cotton farmer applies at the window of a bank and says, "I do not care to sacrifice the surplus of my crop on this demoralized market, and therefore I am prepared amply to secure you for a reasonable amount of money which I will employ in the uses in which I would otherwise employ the proceeds of the sale of my cotton," the direction of this amendment is that he must be preferred to the extent that that particular bank has in its possession this particular currency, and the rate of interest is fixed at 6 per cent. It is not only feasible but it responds——

Mr. WEST. Mr. President——

Mr. CLARKE of Arkansas. I decline to yield, because I have not much more to say, and the Senator can take the floor in his own right. The scheme of the amendment is admirably well adapted to supply a condition that exists in the South to-day.

Mr. WEST. Mr. President, I merely wanted to ask the Senator from Arkansas, when I received his curt reply, a question as to whether he thought the United States could pass a law contravening the legal rate of interest in the States?

Mr. CLARKE of Arkansas. The Senator is a lawyer, and I suppose he knows that the United States Government can do anything it wants to do with its own organization; it can provide that there shall be no usury law, so far as the national banks are concerned. There is a provision in the national banking act to the effect that forfeitures——

Mr. WEST. This proposition also refers to State banks.

Mr. CLARKE of Arkansas. It refers to a national currency; and the Government can prescribe the terms upon which its bounty shall be extended to those for whose benefit it is intended.

Mr. REED. No, Mr. President, it is a bank currency, a currency of each individual bank, by a specific provision of law.

Mr. President, all I say is this: I have every sympathy for the cotton planter of the South, but I have some sympathy for the other people of the South—for the man who has bought the cotton as well as for the man who produces it, for the grocery keeper who has been carrying the cotton planter, for the dry-goods merchant who has been carrying the cotton planter, for the man who has loaned money to the cotton planter; for all those lines of business that are affected by the cotton market—for the merchant, for the corn producer, for the wheat producer, and every other kind of producer. I think the Congress is going to an absurd length when it proposes to segregate certain States of the Union and pass a law applicable to those certain States which is not generally applicable, or to select a certain class of farmers and propose to issue money to them instead of issuing money for the benefit of all the people of the United States.

Mr. CRAWFORD. Mr. President, if I understand this proposition correctly, when this emergency currency finds its way into the banks this condition of things will exist: The bank will be required to sort out and set aside from the currency of all kinds it has on hand this particular kind of currency; and if a cotton grower comes in and demands a loan this law will say to the banker in loaning that particular kind of money that he must let that grower of cotton have the preference in borrowing it, and that the rate of interest upon that particular loan shall not exceed 6 per cent; and this limitation and environment shall apply only to currency issued under this particular law.

It seems to me that is a most novel and extraordinary condition to attach to a circulating medium and expect it to remain at parity with all other circulating mediums.

Mr. OVERMAN. It is an easy matter to segregate notes in the banks. They now segregate their gold notes and their silver notes, and it is a very easy matter to segregate the money, so far as one particular kind is concerned.

Mr. CRAWFORD. If the Senator will permit me, this is saying to that banker: "You may take your gold certificates, you may take your greenbacks, you may take your other Treasury notes, and you may loan them to whomsoever comes into your bank for whatever rates of interest you can get"——

Mr. OVERMAN. Exactly.

Mr. CRAWFORD. "But here is a particular kind of money in your possession which you shall only loan to a particular class upon particular property and at a rate of interest that shall be only such an amount." If such a proposition as that can be fastened upon circulating mediums, and can be maintained in its right relation to all other circulating mediums, you have performed a miracle.

Mr. OVERMAN. Here is a particular money issued for a particular purpose, issued for a particular class of people; why should it not be segregated as a particular fund to be loaned in a particular manner?

Mr. SMITH of Michigan. Mr. President, will the Senator from North Carolina permit me to interrupt him?

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

Mr. OVERMAN. I am always glad to yield to my friend from Michigan.

Mr. SMITH of Michigan. Would the Senator from North Carolina be willing to accept an amendment, after the word "cotton," in the last line of the amendment, to add "and such notes shall be known as 'cotton States currency'"?

Mr. OVERMAN. I have no objection to that. Does the Senator desire that to be printed on the currency?

Mr. SMITH of Michigan. If that is done, the effect upon the value of this currency will be immediate and very harmful. It will not be generally acceptable to the people.

Mr. OVERMAN. If it would have that effect, I would not accept the amendment, of course.

Mr. SMITH of Michigan. The certificate itself will be searched to ascertain whether it is to meet a local situation in North Carolina.

I sent this morning to the Treasury Department for an emergency currency note and have just received it, and, strange to say, it is a note of a bank in North Carolina. It is the only one I have seen, and was issued by the High Point Commercial Bank, of High Point, N. C. Under the limitations of the law under which that note was issued the public who accept it are fully protected by every condition that should apply to our circulating medium; but if you are to restrict the use of this emergency money to the five or six States enumerated in the amendment of my honored friend, instantly all of the money issued under the emergency currency law will feel the effect of such limitations.

Mr. OVERMAN. Mr. President, I can not understand that. It is money issued and guaranteed by the Government and by the banks, and is as strong as any other money.

Mr. SMITH of Michigan. I know the Senator's purpose is wholesome and that he desires to relieve an acute situation. It looks to me as though the cotton States were in an unfortunate situation, and I sympathize with that condition very much, but we have gone as far as we can safely go in relieving them, and to take this step, in my judgment, means a depreciated money, which will not find circulation throughout the country. We should hesitate to take this step. I can not approve it.

Mr. CLARKE of Arkansas. That is a very extraordinary statement to be made by a Senator who is usually so accurate as is the Senator from Michigan. It will be the same identical money as is issued in the case of every other State. The rule laid down by the amendment is that the money issued under the Aldrich-Vreeland Act in the particular States named shall be specifically dedicated to the relief of a certain class of people at a certain compensation.

Mr. SMITH of Michigan. It would be local and very restrictive—largely confined to the cotton States.

Mr. CLARKE of Arkansas. And everywhere else. You can not tell it apart from any other money except that the particular currency association which operates in that State has issued that money to extend loans to the producers of cotton. Of course, when the producers get that money, it is used for the purpose of paying their debts. If they owe the groceryman, they pay him; if they owe the bank, they pay the bank. It simply enables them to keep their cotton until the conditions come about when, with a normal and stable market, they will be able to obtain a fair price for their product. That is the sum and substance of this proposition. The amendment does not attempt to draw a distinction between money issued in one particular State and that issued in any other State.

Mr. SMITH of Michigan. There ought not to be any section, crop, or product especially preferred by this law.

Mr. CLARKE of Arkansas. So far as the circulating medium is concerned, there is no attempt to give any preference to any product. We simply say that in a certain locality demoralization has come upon one of its particular industries, and that the character and the extent of that demoralization justifies the United States Government in interposing its extraordinary power to issue emergency currency.

Mr. SMITH of Michigan. I have the greatest confidence in the Senator from Arkansas and in the Senator from North Carolina; but it seems to me that the situation reflected by the Senators upon the other side from the cotton-producing States has become most acute since this debate began. We must have a national currency or none, and if we are going to have a national currency, then it ought to be in such form that it will be accepted without doubt or hesitation and without regard to State lines.

Mr. CLARKE of Arkansas. The Senator utterly misconceives the purpose of the amendment if he thinks it touches the circulating quality of the bills issued under the act. It does not touch their circulating character nor their character otherwise at all; it simply relates to their use and to the class of people who have a prior claim upon that use. There would not be any occasion for using emergency currency in the South to-day if it were not for the demoralized condition of the cotton industry; and in providing for that emergency we say that these people who are the victims of present-day conditions shall be the beneficiaries of this legislation. It is a very simple proposition.

Mr. SMITH of Michigan. I am very much afraid they will not be permanently helped by this bill.

Mr. CLARKE of Arkansas. Why not?

Mr. SMITH of Michigan. The emergency-currency note that is now in existence—for instance, the note of the bank at High Point, N. C., which the Senator from North Carolina holds in his hand—is in all respects the national-bank note always issued to the banks of the country on bonds.

Mr. CLARKE of Arkansas. We do not desire to have it different.

Mr. SMITH of Michigan. Up in the left-hand corner of this note are the words "This note is secured by bonds of the United States or other securities." Now, to be perfectly fair, a note issued under this amendment ought to be more specific.

Mr. CLARKE of Arkansas. The Senator probably has not read the amendment, or he would not make that statement.

Mr. SMITH of Michigan. I have read it carefully twice.

Mr. CLARKE of Arkansas. It has nothing to do with the basis on which the emergency notes shall be issued. It simply provides the use that shall be made of them after they are issued. When lodged in the banks of one of the States, as between two proposed borrowers, this amendment gives the cotton producers the preference, and at a rate of interest indicated. The same thing would result if the National Government were lending its own Treasury notes. The mere fact that this is emergency currency has nothing to do with the question; it does not touch it at all; it is simply an instance where it is attempted to establish the coincidence between the demoralization which exists and its relief through financial legislation. The money when loaned to farmers will be for the benefit of their creditors. Instead of paying from the proceeds of the cotton sold at a sacrifice price, they will pay with this currency which they obtain as a loan upon the security not only of their cotton but of whatever the banking rules and regulations establish as a sound basis on which loans can be made.

Mr. SMITH of Michigan. Suppose on the 1st of July of next year the cotton situation has not changed, and we find that through the States enumerated large quantities of this money

are still out. Of course, the Senator knows that to be consistent he must extend that law to cover the entire period of depression in that particular article.

Mr. CLARKE of Arkansas. That is a matter of policy to be disposed of when it arises, like every other legislative question.

Mr. SMITH of Michigan. I am afraid it is not general in its effect or national in its character.

Mr. CLARKE of Arkansas. We can not pledge the faith of Congress to anything by promises that we individually make.

Mr. GALLINGER. Mr. President, with my old-fashioned notions this entire legislation seems incongruous. The present proposition, it occurs to me, is more incongruous than what has preceded it.

I have been told that the naval-stores industry in the South, the fertilizer industry in the South, and the lumber industry in the South are all suffering very materially. The textile industry in the North is suffering to a very considerable extent. The copper industry of the West is about blotted out, I am told, and they are going to ask the Government to advance some money to keep it going along.

Suppose the industrial conditions in the North should be as they were in 1894 and 1895, when there was absolute paralysis, or nearly so, of manufacturing, and some northern Senator came in here and asked that some favor should be granted to that section of the country in the matter of currency. He would be laughed at.

For the life of me, I can not differentiate between that situation and the present situation. The cotton industry doubtless is in bad shape, but if every time an industry gets into trouble in this country we are going to pass a law to relieve it, it seems to me we are going beyond the bounds of common sense.

Mr. OVERMAN. Mr. President, will the Senator yield to me in order that I may ask him a question?

Mr. GALLINGER. Yes; I yield.

Mr. OVERMAN. Does the Senator think it would be a great injury to the country to pass a general law providing that money should command 6 per cent interest? Would it hurt the people to pass a general law saying that money should not be loaned out at a greater rate than 6 per cent?

Mr. GALLINGER. I think that would be sensible legislation. That would apply to all sections of the country.

Mr. President, we have a great automobile industry in this country. That is a wonderful industry. Suppose industrial conditions reach a stage where the automobile industry is halted, or, for that matter, practically destroyed. That is not a dream. It may happen, if things go on as they are now. Suppose the Senator from Michigan [Mr. SMITH] should come in here and ask that some favor should be granted to the manufacturers of automobiles in the State of Michigan, to take care of his friends, Mr. Joy and Mr. Ford; I wonder what we would say about it?

That is all I care to say. I was astounded that the last amendment was agreed to. I am still more astounded that certain States should be singled out and favors asked for them when we are passing what ought to be a national law.

I hope the amendment will not be agreed to.

Mr. REED. Mr. President, I beg to suggest, since we are legislating for special classes, that we ought to select the largest class possible, on the theory of "the greatest good to the greatest number." Therefore I move to amend the amendment by striking out the words "the producers of cotton" and inserting in lieu thereof "the pickers of cotton." [Laughter.]

Mr. GALLINGER. That is good.

Mr. REED. I think in that way we will reach a much larger class of people, and undoubtedly one that needs the money more.

Mr. OVERMAN. The Senator is trying to be ridiculous now and make fun of the amendment. Of course, the pickers can not borrow money, as a rule, because they have no security.

Mr. REED. I think, then, we ought to furnish them some security.

Mr. OVERMAN. Yes; of course the Senator does, I have no doubt. I have no doubt he is honest and sincere in that.

Mr. President, the money I hold in my hand is money issued by the Government. It is this special money, issued for a particular purpose, for the benefit of the people in these times of stress—emergency currency. It has a picture of Benjamin Harrison on it, and it is exactly like any other $5 bill. If any currency is issued to the Southern States, it will be money just like this. It will be money that will circulate in San Francisco as well as it will in Galveston, Tex., or Baltimore, Md.—the same kind of money, exactly like our bank notes, so it can not be a depreciated currency.

Mr. SWANSON. Mr. President, with regard to this amendment, I hope the Senator from North Carolina will not insist upon it. It seems to me money is like any other commodity. It is bought and sold in the markets of the world every day. It goes where it gets the best price. It is like any other commodity. The States have fixed rates of interest. Virginia fixes a rate of interest not exceeding 6 per cent. Nobody in Virginia can charge more than 6 per cent. In other States they charge more. It seems to me it is a wise provision that we have left the rate of interest to be fixed by the sovereignty in each State.

Take North Carolina: I do not know why the cotton producers of North Carolina should be preferred over the tobacco producers in the portion of North Carolina that adjoins Virginia. The tobacco producers are in just as distressed a condition as the cotton producers, and I do not know why they should get anything less than the cotton producers.

Mr. OVERMAN. I saw in the papers this morning the statement that the tobacco people were getting as high prices for tobacco as they ever did.

Mr. SWANSON. It is not so in my part of the country.

Mr. OVERMAN. That is the statement I saw in the papers.

Mr. SWANSON. It seems to me it is unwise for the Federal Government to try to interfere with the rate of interest fixed in each State. What is the present law? The present law is that no national-bank currency, no emergency currency, can be issued in any State at a rate of interest exceeding that fixed by the State authorities. Now, each State authority has determined what is a wise rate of interest in that State. In some places they want to attract capital, and they have a higher rate of interest than they do in the older States, to get capital to develop. In others they have less, because they have a surplus, and their welfare is promoted by a different rate of interest. It seems to me it is wise to let the State in each case fix the rate of interest that may be charged.

Mr. CLARKE of Arkansas. Mr. President, if the Senator really means that, why is the Senator from the State of Virginia attempting to fix the rate of interest in these other States?

Mr. SWANSON. I am not. I think the people of Arkansas, of North Carolina, of Louisiana, in the exercise of their State sovereignty, on the old Democratic doctrine of local self-government, under the idea of State sovereignty, have sense and judgment enough to fix their rate of interest. I think Virginia can fix the rate of interest that is most conducive to her interests. I think Arkansas can fix the rate of interest that is most conducive to her interests. I think the worst calamity that could occur in this country would be for the Federal Government to endeavor to take charge of that matter. Consequently I have enough confidence in the people of these States to think that they can meet in their legislatures and fix the rate of interest to be charged.

Mr. CLARKE of Arkansas. The Senator says he has confidence that the State of Arkansas can fix a proper rate of interest. I do not think so. They have fixed the maximum rate at 10 per cent, which is more than any honest man can afford to pay in any legitimate business.

Mr. SWANSON. I hope the Senator will go to the people of Arkansas, present the matter, and let them determine it. If the people of Arkansas can not fix interest rates, they ought to be controlled in a great many other matters by the Federal Government. I am one of those people that believe that the best control of local affairs, the best control at home, is the Democratic doctrine that they know their interests better than people 200 or 300 miles from there.

Mr. CLARKE of Arkansas. If that is true, why do not the States issue this emergency currency without coming here to bother Congress about it?

Mr. WILLIAMS. Because they have been so taxed that they could not.

Mr. SWANSON. Because when this legislation was passed it was decided that this money should be issued by the Federal Government. When the Federal Government was organized the power to issue currency to pass as money, and to be a legal tender, was given to the Federal Government.

Mr. WILLIAMS. What clause of the Constitution provides for that? I remember one about coining money.

Mr. SWANSON. It said that the Federal Government should coin money; and I do not know anybody that has a right to make currency a legal tender, to emit bills of credit, and to regulate the value thereof, but the Federal Government. So Congress has no power to make anything except its own currency legal tender. The 10 per cent tax which has been imposed on State bank issues has driven State bank issues out, and I believe we have done wisely and justly and properly in permitting State banks to come in with the privilege of issuing this currency.

Mr. FALL. Mr. President——

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

Mr. SWANSON. I do.

Mr. FALL. I think the Senator is mistaken about the constitutional provision. As I recall, it was an act of Congress that taxed State-bank issues at 10 per cent. Now, why can not the Senator just repeal that act of Congress and get what he wants?

Mr. SWANSON. If the Senator will permit me, the issues of State banks were never legal tender. The issues of State banks were simply the promises of a State bank to pay, like the promise of an individual. It was not money; and they taxed the promises of a State bank to pay because they were so good that they circulated as money and interfered with the issue of national banks.

Mr. FALL. Then, if I understand the Senator, he would compromise readily with the Senator from North Carolina on the proposition that this money should be issued to be used in the Southern States, but he wants power to fix the rate of interest at 2 per cent on loans for tobacco in his State and leave the Senator from North Carolina to pay 3 per cent on his cotton.

Mr. SWANSON. The Senator is entirely mistaken. If the Senator has that impression, he did not hear my remarks, or if he heard them he did not understand them. He is entirely mistaken. I said that I saw no reason why the cotton people should be preferred over the tobacco people, the lumber people, or any other people who are in a distressed condition.

A banker can determine, when this money is given him, as to who is in the most distressed condition in his local community. Consequently, knowing who is in the most distressed condition in the local community, and how the local community would be best served by loaning this money, he should be permitted to do so if he pays a tax of 3 per cent to get it issued to him.

Mr. FALL. Mr. President, I think possibly I understood the remarks of the Senator, but misunderstood his meaning. I was absolutely astounded at the Senator's reference to State rights and State sovereignties, because since I have been here—two years or more—I thought that doctrine had been absolutely abandoned.

Mr. SWANSON. I have no doubt the Senator thinks it is a dead issue since he left the Democratic Party and wandered off into strange fields.

Mr. FALL. That is one reason why I left the Democratic Party, Mr. President.

Mr. SWANSON. I have no doubt he thinks it is a dead issue. I have no doubt he can no longer understand it; but I want to carry him back to the truth and to the principles that he learned and loved in early life.

Mr. President, it seems to me this amendment would defeat the very purpose for which it is offered. If the tax on this emergency currency at the end of nine months amounted to 6 per cent and the banks were at liberty to loan it at 6 per cent, what would occur at the end of the nine months, when these loans fell due? No bank would take the responsibility of loaning this currency without profit. That is evident. At the end of nine months every bank in the South would require everybody who had this emergency currency that had been issued, to pay up their notes; and what would occur in the South? At the end of nine months they would compel a settlement for the money loaned by the banks, and widespread disaster and bankruptcy would occur.

Mr. OVERMAN. Mr. President, on yesterday the Senator voted against reducing the tax, and now he is against giving the people the money cheaper.

Mr. SWANSON. Yes; I voted against reducing the tax, because I believe the power to issue money belongs to the Government, and I believe the Government ought to get some profit from it. I do not believe in giving the entire profit to the banks. I believe the power to issue money belongs to the United States Government, and having that power to issue money, they ought to derive profit from it and not give it to the banks.

Mr. OVERMAN. The profit comes from the people, though.

Mr. SWANSON. I am sorry my colleague from North Carolina was desirous of giving the profit to the banks, and not letting it go into the Treasury of the United States.

Mr. OVERMAN. Mr. President, the Senator voted to reduce the tax from 5 per cent to 3. What did he do that for? He gave 2 per cent to the banks.

Mr. SWANSON. For the simple reason that at 5 per cent it was impossible to issue it. This matter was brought up in the Democratic caucus by the Senator from Georgia [Mr. SMITH]. I stood by him and did all I could to have the amendment made. Why? Because at 5 per cent it was impossible to issue any emergency currency. When it was reduced to 3 per cent it was possible to issue it. I thought if the Government could get 3 per cent on all the emergency currency it issued, and have no responsibility about it, and would be sure to get that tax and to be sure to have it redeemed, it was a fair price for the Government, and it rendered it available in an emergency like this.

Mr. OVERMAN. That is, the Senator favors taxing the South in their distress two millions and a half of money and putting it up here in the Treasury, when the Treasury does not need it, instead of giving them the money as emergency currency, to be used for their own benefit.

Mr. SWANSON. The Senator is mistaken about the Treasury not needing it. It will be hardly a week before a bill will be introduced here to provide revenue for our Government on account of a deficiency of revenue, and at this time the Senator wants to relieve the tax on banks and reduce the tax to them and impose it on consumption. That was the effect of the amendment the Senator introduced. There is no provision that makes these banks loan it. They can loan it at the best price they can get for it, subject to the rates of interest fixed by the States. Instead of reducing the tax on the banks and imposing it on the people, I think it right that the banks should pay the rates fixed in the law, and thus help to make up the deficiency in revenue.

Mr. OVERMAN. On yesterday, when I introduced that amendment, I gave notice that I would introduce this, in order that the banks might be able to loan the money to the people at 1 per cent less interest. The Senator now is in favor of taxing the people, who finally pay for the money, 3 per cent, and he does not want to reduce the interest to 6 per cent. The banks in Virginia to-day are loaning money at 8 and 10 per cent.

Mr. SWANSON. I do not know of any bank in Virginia that is loaning money at 8 per cent. If they do, they loan it contrary to law.

Mr. OVERMAN. Yes; that is what they do.

Mr. SWANSON. We have a law in Virginia that they can not exceed 6 per cent, and if anybody loans money in excess of that he forfeits all interest, under the Virginia law.

Mr. President, it seems to me the wise thing to do is, as the Federal Government has done in the past, to leave the rate of interest to be fixed by the States.

Mr. SMOOT. Mr. President, I think the Senate owes it to the country, at least, to consider well what action it takes in passing currency legislation. If this amendment were adopted, in my opinion the people of the United States would absolutely refuse to take the currency issued under it. Are we going wild, mad, or crazy? Think of issuing currency under this amendment. Mr. President, I think we owe an apology to the Populist Party——

Mr. GALLINGER. Of course we do.

Mr. SMOOT. And I believe that if Mr. Peffer were alive to-day he would be considered the most conservative man in the United States.

Mr. GALLINGER. Yes, Mr. President; and just think how conservative Jerry Simpson would appear at the present time!

Mr. SMOOT. Why, certainly. He would be a model of conservatism.

Mr. OVERMAN. He had some pretty good ideas, if he wanted to loan money to the people at 6 per cent, and not let the banks rob them. They have been robbing them; and I am going to introduce another amendment directly, providing that they shall not do it, but shall keep the law of the land.

Mr. SMOOT. There are a great many things we would like to regulate in the world, Mr. President, that we have not the power to do. One of those things is that we can not tell a man who holds personal property what he shall do with it and how he shall handle it. The power of regulation is with the State. The State has a right to pass laws regulating the internal affairs of the State, but I do not believe we have any right to do so.

Mr. OVERMAN. I see some regulations here in the Revised Statutes of the United States, and I will read them.

Mr. SMOOT. I should be glad if the Senator would read anything that would enlighten the Senate upon this subject, and, if possible, show us something to justify our exhibition to-day in the passage of this proposed amendment.

Mr. President, I simply want to say further relative to the form of the emergency currency that has already been issued: The $5 bill which was secured by the Senator from Michigan bears out what I said this morning in relation to the form of the emergency currency. That is, it was issued in the name of the bank, and the bank is responsible for the issuing of it after it had been delivered to it through the currency association. The only difference between this bill and a Treasury

note issued before 1913 is the addition of the words "or other securities." Since 1913 even the treasury notes have had those words on them, so there is no difference now. These emergency notes are good for the payment of every obligation of the Government that a Treasury note is good for. If we should issue emergency currency under the amendment offered by the Senator from North Carolina, it would be issued in exactly the same way, and would become a part of the circulating medium of our Government.

Mr. MARTINE of New Jersey. Mr. President, I have seen a great amount of bills flourished around on that side of the Chamber for the last half hour. I should like to inquire whether that is an evidence of tainted money or otherwise.

Mr. SMOOT. Mr. President, I will say to the Senator that if it will be any pleasure to him I shall be glad to let him have a bill, and he can keep it in his pocket for about half an hour.

Mr. MARTINE of New Jersey. No; it is not worth a cent to me to keep. I would not give anything for money to keep. [Laughter.]

Mr. SMOOT. I do not care about saying anything more about this amendment, but I do believe the Senators ought to begin to think what the people of the United States are thinking of our actions. There is a limit to the credit of this Nation, and we can make currency issued by this Government so cheap that it will not be considered good by our own people or the people of the world.

Mr. CRAWFORD. Mr. President, I think everyone recognizes the fact that psychology is a very material and vital element as it affects the people of the United States in relation to our finances. I must express my astonishment that a part of the country which has so earnestly and with considerable pathos presented here a situation affecting it so profoundly should bring forward a proposition which it seems to me, from the viewpoint of the psychological relation of the public mind to money, will tend to pull down the very house over its head.

Just now, with the situation existing as it does, on account of an unparalleled war and its effect upon our own domestic trade and industry, for the Congress of the United States to legislate in the sort of easy, happy-go-lucky, careless way in which it has seemed to deal with a question so grave as that we have discussed here this afternoon is, in my judgment, to create apprehension all over the United States in regard to whether or not we have become affected here by a panicky feeling that is tending to make us reckless and may cause a wave of apprehension to sweep over this country that will end in the very thing that the different bills which have been presented here during the last few days have had it as their object to forestall.

I am astonished that anyone should seriously contend that the adoption of such a proposition as this would not cause the public mind to draw a clear and distinct line of discrimination between this particular currency, that is to be environed and restricted in this manner, and all other currency. This will be a depreciated currency because of this very proposition, and when you have one part of the country, the money of which in the public mind is condemned in that way by reason of the limitations put upon it, you have increased a thousandfold the disposition to hoard money that is free in all of its functions and purposes.

I rose simply to emphasize the fact that by this sort of discussion of the pending proposition we may be throwing fuel upon the flame.

Mr. OVERMAN. Mr. President, I wish I had it in my power to make a law making the common rate of interest in this country 6 per cent. The country would be better off if that were done. Men can not pay 8 and 10 per cent interest.

I was not a Populist when, 20 years ago, I advocated a bill making the rate of interest in North Carolina 6 per cent. I heard the same arguments then that I hear now. Finally, after a hard fight, after two or three sessions of the legislature, we passed a law saying that the rate of interest should be not more than 6 per cent and imposing a heavy penalty upon any man who charged more than 6 per cent.

It was then asserted that all the money would go out into the State of South Carolina, where they charged 10 per cent, and Georgia, where they charged 8, and another State, where they charged 7. As a matter of fact, however, our people have been more prosperous and making more money since then, the money has not been driven out of the banks, and there is no more prosperous State in the Union than the Old North State.

Mr. CRAWFORD. Mr. President, will the Senator permit me to ask him a question?

Mr. OVERMAN. To be sure.

Mr. CRAWFORD. How does the Senator apply a general proposition to fix a legal rate of interest on all loans to a proposition to allow greenbacks, gold certificates, gold and silver and all other kinds of money to be loaned at any rate of interest that the parties may contract for, and simply specify that the rate of interest on a particular kind of money in a particular kind of transaction shall be limited to 6 per cent?

Mr. OVERMAN. As I said before, because this is a particular emergency, a particular kind of fund issued for a particular time and for a particular purpose, and because it is that kind of a particular fund for a particular purpose and issued at a particular time we are going to make a particular kind of interest for it to the people we want to help.

Mr. REED. By what authority does the Senator say that this is a particular kind of money issued for a particular purpose, by which he means to take care of cotton?

Mr. OVERMAN. Not at all. I said it was a particular fund issued for a particular purpose for a particular time.

Mr. REED. The Senator's amendment proposes to limit it to cotton in these eight or nine States.

Mr. OVERMAN. I do not propose to limit it at all to cotton. The amendment does not provide for that. The amendment provides that as far as practicable, under such rules and regulations as the Secretary of the Treasury may prescribe, this money shall be loaned to cotton producers at 6 per cent.

Mr. REED. This Aldrich-Vreeland money was never designed for cotton producers or cotton pickers, or for mule raisers or street shovelers or any other class of people. It was designed for the purpose of relief to all the people in a time of necessity and emergency. The trouble is that we have been talking so much about cotton here for the last three or four days that some people have it in their minds that this money is being issued and this law is being passed for the benefit of one class of people. Now, it is not.

Mr. OVERMAN. No, Mr. President.

Mr. REED. Of course the Senator may add this amendment limiting the use of the money in his State, but I wish the Senator would let me show him how absurd it will be to carry that out. It shall be loaned as nearly as possible to the cotton producers. What does that mean? Here is a bank, and here comes up a man who produces one bale of cotton and wants to borrow $5,000. He is a cotton producer.

Mr. OVERMAN. He would hardly want to borrow $5,000 on one bale.

Mr. REED. Not on one bale. It does not provide that it shall be loaned on one bale, but that it shall be loaned to the cotton producer.

Mr. OVERMAN. I was just correcting the Senator.

Mr. REED. A cotton producer who produced one bale of cotton might want to borrow $10,000, and he might offer better security for $10,000 than a man who produced 200 or 300 bales of cotton.

Mr. OVERMAN. No man who produces a bale of cotton should be forced to pay more than 6 per cent for any purpose at any time. I think that is as much as people can afford to pay.

Mr. REED. If the Senator had a bill providing that no national-bank currency should ever be loaned for more than 6 per cent, that would be a different proposition. That is the phase of the question that constantly speaks on the very popular side, of course, of a question. But I am talking about the proposition in the Senator's amendment that this money shall be loaned and the preference shall be given to a cotton producer. Here is a cotton producer producing a very small amount, a nominal amount, and another producing a great amount. The cotton producer who produces one bale of cotton is entitled to this money. The merchant who has bought 10,000 bales of it is not entitled to it. He is cut off from an equality.

Mr. OVERMAN. If the people can get this money, the merchant will not have to borrow any money, and the people who raise the cotton will meet their bills.

Mr. REED. The Senator is mistaken about it. There are other people in his State than cotton producers.

Mr. OVERMAN. Of course there are, and they will get the money.

Mr. REED. If they can get the money there, the cotton producers can get their share of it, and all the people will be put on an equality.

Mr. OVERMAN. The Senator shows a complete ignorance about the condition of affairs in the South.

Mr. REED. I am much obliged to the Senator for the compliment.

Mr. OVERMAN. Naturally he is ignorant about the conditions of affairs down there. I do not say that the Senator is

ignorant, and I did not intimate it. I merely say that he is ignorant of the situation in the South.

Mr. REED. Mr. President, I may be ignorant of the situation in the South, and I may be generally ignorant, but I am not ignorant enough to propose an absurd and ridiculous measure which will provide that money which is to be issued by the Federal Government shall go only to one class of people. That is all I have to say.

Mr. OVERMAN. Before I take my seat, as I know the Senator wants to get through with the bill, I will state that I said in answer to the Senator from Utah that the General Government had made regulations in regard to money issued by the national banks, and I called his attention to section 5197, in which they regulate the rate of interest, and also regulate it so as to prevent loans at a greater rate of interest, and fix the penalty.

Mr. SHAFROTH. I should like to have the attention of the Senator from North Carolina to see whether I can not convince him that fixing a rate of interest at 6 per cent is to the detriment of his people instead of being a benefit to them. Whenever you fix a usury rate by which penalties and forfeitures are imposed if a greater amount is charged, if that usury rate is high you do not come in conflict with it in lending and borrowing; but if you fix it near the rate that prevails it is an obstruction and a detriment instead of a benefit.

Let me take the Senator's own illustration. You have a usury law of 6 per cent in North Carolina, and yet you say on the floor of this House that many people lend their money at 8 per cent.

Mr. OVERMAN. I said by national banks.

Mr. SHAFROTH. Yes; by national banks.

Mr. OVERMAN. And I should like to see a penalty imposed on the transactions, because this is the way they do it: I want to borrow $10,000 from a national bank. They can not loan it at a greater rate than 6 per cent, but they will require me to deposit one-fourth of it in the bank, which is equivalent to about 8 per cent. The bank that I do business with in my town never charges over 6 per cent, and never will charge over 6 per cent interest, and the capital stock of that bank is nearly $2,000,000—$1,000,000 surplus and $1,000,000 capital.

Mr. SHAFROTH. Whenever you fix a usury rate which does not come near corresponding with supply and demand rates you encounter this objection and you encounter this disadvantage. If the rate of interest according to the supply and demand in your State were 7 per cent and your usury rate was 6 per cent, the banker would immediately say: "Well, now, I am running contrary to the usury law and taking 7 per cent, and I must have an additional amount from you for the purpose of insuring me against the taking of that risk, and therefore I will raise it to 8 per cent." Those are the fundamental principles that have prevailed since John Stuart Mill wrote his great book on political economy.

Mr. THOMAS. I should like to ask my colleague how that situation could arise under this amendment. If I understand the amendment, the borrower goes to a bank in one of these Southern States and asks for money, and he will be asked if he wants 6 per cent money or 8 per cent money. He will be told, "We have both kinds."

Mr. OVERMAN. The cotton farmer will get it for 6 per cent.

Mr. SHAFROTH. I want to impress upon the Senator from North Carolina that if you have a rate that is near the rate created by supply and demand the usury law is an obstruction to low rates, because the risk of forfeiture which the bank takes in lending money at a usurious rate must be insured against, and they are insured against it by increasing the rate. That has been recognized.

We of Colorado have no usury rate and we have very fair rates of interest. I believe that there should be a high rate in Colorado—12 per cent—because there are some people who take advantage of the necessities of people and sometimes charge an exorbitant rate; but the ordinary transactions in commerce are going to be controlled by the principle of supply and demand, and the rate is going to be increased just a little by reason of the usury law, because that imposes a penalty which, in order to counterbalance, must be insured against by an increased rate of interest. Now, to provide that this money shall be loaned at 6 per cent seems to me to be totally impracticable.

The bank does not loan out the money. The bank pays out money on checks. You come to the bank window and get money. If you want to make a loan, they put it to your credit or give you a check. Are you going to follow the money that is issued under this act? You can not do it. The official says to the bank I want to see your books; they will say we did not lend that money at all; we paid it out on checks. The people have deposits here and presented checks at the window and we gave this money for the checks. How can you obviate that?

Then, again, suppose you could enforce it in some way; there would be some special privilege that would be given to either the president of the bank or to a particular friend of the bank, or to some person who is a stockholder of the bank. The people would not get the benefit of it.

It seems to me, Mr. President, that the principle that is incorporated in this amendment is impracticable. If it has any effect, it tends to raise the interest by reason of the increased risk that is to be taken by the lender in making a loan at a higher rate than is allowed.

Mr. WEST. Mr. President——

Mr. SHAFROTH. I will yield in just a moment. We know, as a matter of fact, in New York City the rate of interest varies from 1 per cent to 1,000 per cent. We know that in the time of the corner in the Northern Pacific Railroad some years ago money was listed and taken at 1 per cent. It was only for a few days, but it is the fact we know. In a few days it got down to 2 per cent per month. It is supply and demand that control. The trusts have never been able to absolutely control the question of money, because if they hold the money they are losing money themselves by not getting any interest.

I yield to the Senator from Georgia.

Mr. WEST. It is known that States in their independent sovereign capacity fix the rate of interest. It is known that in all new States the interest rates are higher than they are in the older States. Consequently it would be manifestly unjust for the National Government to fix the rate for all the States. In other words, in a State that is rapidly developing the rate is higher than it would be in New England States, where there is a great deal of money. So it would be manifestly unjust for the Government to undertake to regulate the rate of interest in all the States and put them upon the same basis. If this amendment passes, in my judgment, in the State of Georgia where we have a legal rate of 8 per cent if it is mentioned in the face of the paper or 7 per cent if it is not mentioned, the State of Georgia will not take advantage of it owing to the simple fact that it will disturb its legal rate of interest.

Mr. SHAFROTH. The Senator's point seems to me to be well taken, and I thank him for the suggestion.

Mr. President, I ask for a vote on the question.

Mr. GALLINGER. Mr. President, I will inquire of the Chair if a message from the President of the United States has been read to-day. I have been absent from the Chamber a good deal of the time.

The VICE PRESIDENT. It has not.

Mr. GALLINGER. I find in the evening papers the text of a message that it was said the President sent to Congress, and I apprehend that it is correct. I want to caution the friends of this bill if they want it to pass not to load it down with too many amendments. The message that the newspapers say has been prepared and sent to Congress relates to the postal funds bill which we passed a little while ago, increasing the amount of funds that could be deposited in the postal savings banks, making State banks the depository of those funds as well as national banks. I read from it as follows:

> With most of the provisions of the bill I am in hearty accord. But a portion of section 2 seeks to make a change in the Federal reserve act of last December which I venture to regard as unwise.
>
> When the Federal reserve act was passed it was thought wise to make the inducements to State banks to enter the Federal reserve system as many and as strong as possible. It was therefore provided in that act that Government funds should be deposited only in banks which were members of the Federal reserve system. The principle of such a provision is sound and indisputable.
>
> The Federal reserve system seeks to mobilize the financial resources of the country under one control. The bill which I now return repeals that provision so far as it might apply to funds accumulated in the hands of the Government under the postal savings system. It is in this provision of the bill that I find myself unable to concur.

Then the bill is returned with a veto.

What I rose to say, Mr. President, is that if the friends of this bill who want these funds to be deposited in State banks are wise, as I view the situation, they will not attach very many questionable amendments to the bill, because they will be very fortunate, indeed, if they get the approval of the bill as it now stands.

Upon further thought I recall the fact that the vetoed bill originated in the House of Representatives, and the veto has doubtless been sent to that body.

Mr. VARDAMAN. Mr. President, this bill is intended to meet an emergency. If the banks are to enjoy the extraordinary privilege secured to them by the bill I think there should be some limit to the profit they are to make thereby. We ought to

be able in the very nature of things to indulge the presumption that the banks are patriotic and will not take advantage of this emergency to make money. The fact is, it is for the good of the whole country, and I see no reason in the world why the General Government, which gives the banks this extraordinary power, should not restrain the banks in the matter of profit in the exercise of this privilege. While I do not want to cripple the very meritorious measure, which has already been greatly improved by the adoption of the amendment offered by the Senator from Georgia, by any unwise or any injudicious provisions, at the same time I see no reason why there should not be a limit fixed upon the charge of interest upon this emergency currency. I shall vote for the amendment.

Mr. CLARKE of Arkansas. Mr. President, before the vote is taken on this amendment I want to say a word very seriously about it. The amendment is entirely feasible and, in my judgment, entirely necessary. The emergency currency will be sent South, if sent at all, to relieve a situation connected with the cotton market. That situation at the present time imposes hardships upon the producers of cotton. They find themselves in the possession of a commodity which the world wants, but because of circumstances over which they have no control there is at this time no demand, and therefore there is no market for it. The surplus must be held. The question is whether it shall be held by speculators buying it at a price which represents a sacrifice of its actual value or whether the bounty of the Government which takes the form of this particular currency shall enable those who produce it to hold it until such time as they may realize a fair return upon the labor which it represents.

If that money is to be sent out to be added promiscuously to the volume of available funds there, it may turn out that in some instances it will suit those who have local control of it to divert it to the purchase of cotton instead of financing that commodity with a view to holding it until a better price shall come to hand.

It is the particular evil that is involved in that course of conduct against which the provisions of this amendment are directed. The necessities of that great industry appeal to the legislative discretion here to extend that aid. We therefore should safeguard it to the extent that it will deliver to those for whose benefit it is designed the use of this particular money. It will redound to the benefit of the entire community. The farmers who borrow the money will pay their debts with the money thus borrowed rather than sell their crops at a great sacrifice and pay with their diminished income the charges that have been fixed upon a very much more extravagant scale. It conforms exactly to the principles and policy that underlie the entire movement and brings to the hands of those and to the interests of those for whom it was designed the benefits of this legislation.

Selfishness has not left the South, nor will it leave any section. It is a duty that rests upon the Government to take care of these producers of agriculture, an industry that is entitled to all the benefits that can be rightfully extended by legislation, State or National. In every act that has been passed here we recognize that fact and exert ourselves to the utmost to do something for that great industry and for those who are now engaged in it. In this particular amendment we simply say that the Government has issued money at a rate of interest at which it can be profitably loaned to borrowers at 6 per cent. We have the test of the markets in many localities to demonstrate the fact that 6 per cent is an adequate return.

The Senator from Colorado [Mr. SHAFROTH] did not exactly state the laws governing the rate of interest in the State of New York. The rate of interest in the State of New York is 6 per cent, and to charge more than that involves a forfeiture of the principal and the interest and is a violation of the criminal laws of the State. There is an exception made in favor of transactions made on the stock exchange. They have what they term "call loans," as to which there is no rate of interest fixed. In the transactions of that great gambling institution conditions come about where as much as 1,000 per cent has been demanded of the victims of the schemes that have been concocted and carried out there. That will not do as a test by which to try out the merits of the policy projected here for the benefit of a class which appeals, and appeals strongly, not only to the sense of justice but to the sense of liberality of this Congress.

I think that the emergency currency that is sent South should first be offered to cotton raisers for the purpose of enabling them to hold their crops until such time as a better market can be found. I believe certainly that the rate of interest provided, namely, 6 per cent, is the commercial rate under ordinary times, and that that ought to be the rate exacted for this particular volume of money.

It will not do to say that this money will not be commingled with the funds of the bank. Of course it will be commingled with the funds of the bank, and it ought to be. There is no distinction in its value; there is no distinction in its receivability; it is money of the United States; but the books of the bank will show that among the funds assembled there is so much derived from the United States under the so-called Aldrich-Vreeland Act. They must deduct from that amount every loan they make to a farmer, and until it is exhausted they can not assume the attitude of denying him the right to appear there, with proper security, and on tendering the current rate of 6 per cent interest secure a loan. There is no difficulty about it at all.

Mr. VARDAMAN. Mr. President, if the Senator from Arkansas will yield to me for a suggestion just at this point, I desire to say that whenever this Congress makes the declaration embodied in the amendment offered by the Senator from North Carolina [Mr. OVERMAN] it is going to be a declaration of policy which will be very influential and almost coercive upon the bankers to do what Congress intended they should do. That which this Congress may do will create a most potential public sentiment. Not only the emergency currency would be loaned for 6 per cent interest, but the greater part of the money that they have in order to relieve the desperate situation there would be loaned at that rate.

Mr. CLARKE of Arkansas. It may have that effect, Mr. President; but I do not insist that we are attempting to bring into existence such conditions as that. This particular money has about it a certain element of bounty of the Government. The Government can attach such limitations and conditions as it may see proper to the use of that money. There is no use in overlooking the conditions as they actually exist. The condition of the cotton industry in the South is the only reason that makes those of us who represent those people stand here and insist that something shall be done for them.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Ohio?

Mr. CLARKE of Arkansas. I do.

Mr. POMERENE. My feeling has been that to fix a rate of 6 per cent interest on this money would not, as I see it, encourage the bankers in the South to take the money at all, for this reason: If a banker, for instance, in the State of Arkansas has a capital stock of $50,000 and deposits amounting to $500,000—and that is not an unusual ratio between the capital stock and the deposits—and that money is being loaned out at 8 per cent, under this law the banks could get $62,500 of the emergency currency. Does the Senator from Arkansas think for a moment that such a bank is going to take $62,500 of the money which it can only loan at 6 per cent and thereby jeopardize the 8 per cent rate which it does get for all the other loans which it has made?

Mr. CLARKE of Arkansas. I do not have any idea that they will jeopardize their business; I do not expect them to do so. I am not offering any condition that will invite them to do so.

Mr. POMERENE. It would certainly have the effect of reducing the rate of interest upon all loans.

Mr. CLARKE of Arkansas. The banks there would open their eyes and look around and see upon what basis the prosperity of the community which they were serving rested; they would find that it rested upon the cotton industry, and they would say, "By a certain process we can call from Washington city $62,500 which we can loan the owners of cotton at 6 per cent, and we can leave for our other customers this other money." That would be the effect of it; that is the practical way to dispose of it, and that is the only way it will be disposed of.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Carolina.

Mr. OVERMAN. I ask for the yeas and nays on the amendment.

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

Mr. CLARKE of Arkansas (when his name was called). I have a pair with the junior Senator from Utah [Mr. SUTHERLAND]. If he were present, I should vote "yea."

Mr. FLETCHER (when his name was called). I have a pair with the Senator from Wyoming [Mr. WARREN]. In his absence I withhold my vote.

Mr. GALLINGER (when his name was called). Announcing the same transfer of my pair as on former votes to-day, I vote "nay."

Mr. ROBINSON (when his name was called). I transfer my pair with the Senator from Michigan [Mr. TOWNSEND] to the Senator from Nevada [Mr. NEWLANDS] and vote "yea."

Mr. SAULSBURY (when his name was called). I announce my pair as heretofore and withhold my vote for the present.

Mr. SMITH of Georgia (when his name was called). I announce my pair with the senior Senator from Massachusetts [Mr. LODGE]. For the present I withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. ROOT], but I am informed that he is in accord with me upon this amendment. I therefore feel at liberty to vote. I vote "nay."

Mr. SMITH of Michigan (when Mr. TOWNSEND's name was called). My colleague [Mr. TOWNSEND] is necessarily absent from the Senate. As announced by the Senator from Arkansas [Mr. ROBINSON], he is paired. If my colleague were present, he would vote "nay."

The roll call was concluded.

Mr. FALL. I inquire if the senior Senator from West Virginia [Mr. CHILTON] has voted?

The VICE PRESIDENT. The Chair is informed that he has not voted.

Mr. FALL. I have a general pair with that Senator, and therefore withhold my vote.

Mr. SAULSBURY. I transfer my pair with the junior Senator from Rhode Island [Mr. COLT] to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. STONE. I transfer my standing pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Kansas [Mr. THOMPSON] and vote "nay."

Mr. WALSH. I have a general pair with the Senator from Rhode Island [Mr. LIPPITT]. I transfer that pair to the senior Senator from Arizona [Mr. SMITH] and vote. I vote "nay."

Mr. SMITH of Georgia. If it is necessary to make a quorum, I am at liberty to vote.

Mr. LEA of Tennessee (after having voted in the negative). I inquire if the Senator from South Dakota [Mr. CRAWFORD] has voted?

The VICE PRESIDENT. He has not.

Mr. LEA of Tennessee. I have a pair with that Senator, and, unless my vote is necessary to make a quorum, I withdraw it.

Mr. BRYAN. May I suggest to the Senator from Tennessee that the Senator from South Dakota made a speech against the amendment?

Mr. LEA of Tennessee. I did not hear the Senator from South Dakota make the speech to which the Senator from Florida refers; but under that statement, I feel at liberty to vote, and shall permit my vote to stand.

Mr. SMITH of Georgia. If my vote is needed to make a quorum, I vote "yea."

The yeas and nays resulted—yeas 10, nays 38, as follows:

YEAS—10.

Bankhead	Robinson	Smith, Ga.	White
Overman	Sheppard	Thornton	
Ransdell	Simmons	Vardaman	

NAYS—38.

Ashurst	Jones	Norris	Smoot
Brady	Kenyon	Oliver	Sterling
Bristow	Kern	Page	Stone
Bryan	Lane	Perkins	Swanson
Burton	Lea, Tenn.	Pomerene	Thomas
Camden	Lee, Md.	Reed	Walsh
Chamberlain	McCumber	Saulsbury	West
Clapp	McLean	Shafroth	Williams
Gallinger	Martine, N. J.	Shively	
Hughes	Myers	Smith, Mich.	

NOT VOTING—48.

Borah	du Pont	Lippitt	Shields
Brandegee	Fall	Lodge	Smith, Ariz.
Burleigh	Fletcher	Martin, Va.	Smith, Md.
Catron	Goff	Nelson	Smith, S. C.
Chilton	Gore	Newlands	Stephenson
Clark, Wyo.	Gronna	O'Gorman	Sutherland
Clarke, Ark.	Hitchcock	Owen	Thompson
Colt	Hollis	Penrose	Tillman
Crawford	James	Pittman	Townsend
Culberson	Johnson	Poindexter	Warren
Cummins	La Follette	Root	Weeks
Dillingham	Lewis	Sherman	Works

The VICE PRESIDENT. The yeas are 10, the nays 38. The Senator from Arkansas [Mr. CLARKE], the Senator from Florida [Mr. FLETCHER], and the Senator from New Mexico [Mr. FALL] are in the Chamber and are paired. A quorum is present, and the amendment of the Senator from North Carolina is rejected.

Mr. CRAWFORD subsequently said: Mr. President, I simply rise to a question of privilege. I regret that after having spoken against the Overman amendment I was called from the Chamber in an official way and did not hear the signal for the roll call, and lost the opportunity which I desired to have to vote against that amendment. I wish the RECORD to show that my absence was unavoidable.

The VICE PRESIDENT. The bill is before the Senate as in Committee of the Whole and open to further amendment.

Mr. NORRIS. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add as a new section, after the section already agreed to, the following:

SEC. 3. That every national banking association doing business in a State where there is a State law providing for the securing of deposits in State banks shall be, and is hereby, authorized, if permitted by the laws of such State, to avail itself of such State law, and to take the necessary steps under the laws of such State to guarantee its deposits.

Mr. NORRIS. Mr. President, I believe if I could have the attention of the committee there could not possibly be any objection to this amendment and that they would perhaps be willing to accept it. The amendment, as Senators will notice, does not compel national banks to enter the State systems, but it gives them the privilege of doing so if the State law provides that they may do so. As a matter of fact, in quite a number of States where they have a law guaranteeing the deposits of State banks a provision is contained in the State law authorizing national banks doing business in the State to avail themselves of the State law. Under a decision of the Comptroller of the Currency, rendered some time ago, national banks are not permitted to avail themselves of such a law.

This amendment simply gives to such banks as desire to avail themselves of the State law the opportunity of doing so, and it seems to me there can be no possible objection to it. I do not care to discuss the question unless there is objection to the amendment.

Mr. WEST. Mr. President——

Mr. NORRIS. I yield to the Senator from Georgia.

Mr. WEST. If the State law does not permit the national banks to enter their systems, the adoption of the Senator's amendment would not necessitate the convening of the legislature in order to pass a law consonant with the Senator's object, would it?

Mr. NORRIS. No; we have no jurisdiction to compel the States to pass a law admitting national banks, and unless that is done, of course the amendment has no application to the States. It only applies where the State has given permission to the national bank which is desirous of availing itself of the provisions of the State law to do so.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska.

Mr. SHAFROTH. Mr. President, it seems to me that we are going into a subject that is not germane to the bill now pending; and even if it were germane, it is such a comprehensive question that it would not be wise to legislate on the matter in connection with the pending bill, which is purely and strictly an emergency measure and which involves only one or two principles, even as amended. A proposition to ingraft upon this bill the guaranty of national bank deposits is one that, it seems to me, should not prevail. I hope the amendment will be defeated.

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

Mr. SHAFROTH. Yes, sir.

Mr. NORRIS. This amendment is not to ingraft upon the national banks a law to guarantee deposits.

Mr. SHAFROTH. Oh, no; not upon the national banks. Will the Secretary state the amendment, please?

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. It is proposed to add a new section, as follows:

SEC. 3. That every national banking association doing business in a State where there is a State law providing for the securing of deposits in State banks shall be, and is hereby, authorized, if permitted by the laws of such State, to avail itself of such State law, and to take the necessary steps under the laws of such State to guarantee its deposits.

Mr. SHAFROTH. I feel that this is not the proper place to put such an amendment, and I do not want the bill encumbered with provisions of that kind. If the Senator introduces a bill to that effect, and it is carefully considered, and the committee examines into it closely, it may be all right. I am inclined to favor State laws with relation to the guaranty of deposits; but, at the same time, I do not think this bill is the proper place for the provision.

Mr. NORRIS. Will the Senator yield again?

Mr. SHAFROTH. Yes.

Mr. NORRIS. I should like to say to the Senator that this amendment is a bill that was introduced in the Senate on the 30th day of last January. It was referred to the Committee on Banking and Currency. I asked the chairman of the committee for a hearing before the Banking and Currency Committee sev-

eral times, and wrote him in regard to it, and he finally referred it to a subcommittee, of which my colleague from Nebraska [Mr. HITCHCOCK] was the chairman.

I took it up with him on various occasions in order to get a hearing before the subcommittee; but my colleague always said that he would call the subcommittee together, and it would be considered. I have no doubt he intended to do so; but he was very busily engaged in other matters, and the subcommittee was never convened.

The chairman of the Banking and Currency Committee examined the bill, and I think the chairman of the subcommittee, my colleague, examined it. While I am not authorized by either of them to say that they would support the bill, they both talked as though they were favorable to it, and each one expressed to me the idea that he could see no possible objection to it.

Let us take a State as an illustration. I will take the State of Nebraska as an illustration. It has a State law guaranteeing deposits. That law provides that national banks can come in under that law the same as State banks. So the law is passed ready for them; but the Comptroller of the Currency has decided that there is no authority under the laws of the United States to permit national banks to come in under that law. This simply permits them to do it.

I have introduced the bill at the behest of national bankers in my own State. I have had quite a good deal of correspondence with national bankers in other States where they have similar State laws. There is nothing compulsory about it. If a national bank in a State where there is such a guarantee-of-deposits law does not desire to avail itself of the State law, it simply stays out. There is nothing in this amendment that compels them to come in. It is left entirely with them. If, however, the State law provides that they can come in, and they want to go in, it seems to me there can be no possible objection to allowing them to go in.

National banks doing business in the same locality with State banks, as a rule, I think, are anxious to go into the State system and have their deposits guaranteed under the State law. A national bank doing business in a State where they have such a law that does not desire to do so would not be required to do so if this amendment were adopted.

So it is not any snap judgment that I am trying to get by this amendment. I have done the best I could to get it considered by the committee and by the subcommittee. It has been introduced now ever since last January; and, as far as I have been able to ascertain from conversations with members of the Banking and Currency Committee, no possible objection is seen to its passage.

It is true, as the Senator says, that this amendment is offered to a bill relating to an emergency proposition, and that if this amendment were put on the bill it would become permanent law. That is true; but, under the rules of the Senate, it is in order. This is not an appropriation bill; and there is not any question but that it is proper to offer the amendment here. It simply gives to national banks the consent of the United States to avail themselves of State laws where the State law provides that they can come into the system.

In justice to the national banks that are doing business in States where there are State laws guaranteeing deposits, it seems to me we ought to grant this permission. The question as to the wisdom or unwisdom of guaranteeing deposits is not involved here, as I look at it. It would be involved if there were something compulsory about it.

Mr. REED. Mr. President——

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

Mr. NORRIS. I yield to the Senator.

Mr. REED. I desire to say to the Senator from Nebraska that I am thoroughly in accord with the desire to provide a means by which bank deposits may be guaranteed. I am willing to enter upon that work at the earliest possible date; but I do hope the Senator will not insist upon attaching this amendment to the pending bill. The proposition involved in the Senator's amendment may seem to him very simple; it may be a very simple proposition as applied to his State, but it may be quite another proposition in some other State. All of those circumstances and conditions ought to be fully taken into consideration.

Mr. NORRIS. Will the Senator give an illustration of an instance where it would be a hardship?

Mr. REED. I can not, for the reason that this amendment to this bill is now sprung here, utterly ungermane to it, having nothing to do with it; and we are asked to cite instances, to quote laws, to understand situations, without the slighest opportunity to advise ourselves. That is one of my chief objections.

I assure the Senator that when it comes to the proposition of passing a proper bank-guaranty act I shall be in favor of such an act; but I call his attention to this fact:

We are engaged in amending the emergency-currency act. We are engaged in amending it because there is an emergency now present, pressing, and acute. This is no time to introduce other propositions which will involve distrust in some quarters, and disputes and doubts. This is the last time in the world when we ought to be tinkering unnecessarily with the financial situation or with banking conditions.

Let me illustrate to the Senator what I mean, and I am appealing to him as one of the fairest men I ever knew and asking him to withdraw this amendment, to the end that the bill may be passed to-night.

There are hundreds of bankers in this country who will be almost thrown into the rabies at the mere suggestion of bank guaranty. They do not believe in it. I think they are wrong, but the fact that I think they are wrong does not convince their judgment. Now, when we are engaged in floating a large amount of asset currency, when we are confronted by an emergency such as the world has never seen before, when this country, alone of all the countries in the world, seems to be upon a reasonably sound financial basis, when our confidence has not been destroyed nor disturbed, why, at this moment of all others, introduce a subject that will provoke opposition, will raise question, and will cause doubts to spring up? Why not wait for a more convenient and proper season?

The disposition in the Senate for the last two or three days seems to be to load everything onto this emergency measure. I have about come to the conclusion that some Senators, if they were engaged in the great war in Europe, and had a wagon loaded with ammunition, and it were necessary to get it to the front, would want to put in a lot of household goods with the ammunition simply because the wagon happened to be going at that time. The household goods would be all right, but this is not the time to load them on.

I want to read to the Senator a letter, which I have permission to read, which I received from the Comptroller to-day. I will read the second paragraph. The first has nothing to do with the matter I am discussing:

> I think it very desirable that the amendment to the Aldrich-Vreeland Act increasing the ratio of additional currency which may be issued by national banks on the security of commercial paper from 30 per cent of unimpaired capital and surplus to 80 per cent should be passed as promptly as possible.
>
> There are quite a number of banks suffering at this time because of this restriction. They are in need of more currency; and as their assets are principally, if not exclusively, commercial paper rather than bonds, they are shut off from the relief which they require.
>
> Very sincerely,
>
> JOHN SKELTON WILLIAMS.

My information, aside from the letter, is that the national bankers of some of the Southern States are literally imploring the Government for this money at once. This bill was introduced about 10 days ago. It was anticipated that it would be passed almost immediately, but when we brought it in here, instead of passing this little, simple bill, we have had debate lasting for days in an effort to add on a lot of other things.

My objection to adding the Senator's amendment at this time is that it will create a doubt and a disturbance in the minds of many bankers; it will involve us in a long debate; it will not be passed here in a minute. I should like to get this little bill passed to-night, if it be possible. If the Senator will just withdraw the amendment, I assure him that I will cooperate with him, not only in getting his proposition ultimately into the law, but a broader one, if possible.

Mr. NORRIS. Mr. President——

Mr. SHAFROTH. I want to make a suggestion to the Senator, because I have been in favor of a State bank-guarantee law: I can readily see that perhaps the Secretary of the Treasury would say: "I do not want our national banks to come in, because they are then subject to certain liabilities and certain assessments which might impair their capital or might seriously interfere with their operations."

Now, I perhaps do not think so; but, at the same time, it gives a field not only for the rejection of it by the other House, but also for a long debate and, perhaps, a veto by the President. I do not know his views upon this matter, but it does not come properly on an emergency measure, it seems to me.

I assure the Senator that, so far as I am concerned, I should like to give this matter careful consideration in the committee, and it may be that under some features of it, with some additions or something of that kind, a favorable report might be made; but it seems to me it is not the proper thing to take up something that is proposed here without any examination upon the part of the committee. We have the Ten Commandments

they are good and they are wise, but we would not think of putting them on a bill. If they were offered as an amendment to the bill, we would all vote against them. It is not because they are not good, however, and it is not because the Senator's amendment is not good.

Mr. MARTINE of New Jersey. We would not need to add them to a Democratic measure. That goes without saying.

Mr. SHAFROTH. Mr. President, on this emergency measure, which we have been trying to limit and confine to one thing only, it seems to me this amendment ought not to be urged by the Senator.

Mr. WALSH. Mr. President——

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

Mr. NORRIS. I yield.

Mr. WALSH. I desire to inquire of the Senator from Nebraska if he has reflected upon the fact that if this amendment were adopted it would operate only until the 1st of July next?

Mr. NORRIS. No; I do not think the Senator is right on that point.

Mr. WALSH. Let me call his attention to section 20 of the original Aldrich-Vreeland Act. It reads:

That this act shall expire by limitation on the 30th day of June, 1914.

Mr. NORRIS. Yes.

Mr. WALSH. Now, by the provisions of the act of August 4, 1914, that has been extended by the following:

The provisions of the act of May 30, 1908, authorizing national currency associations, the issue of additional national-bank circulation, and creating a National Monetary Commission, which expires by limitation under the terms of such act on the 30th day of June, 1914, are hereby extended to June 30, 1915.

Mr. NORRIS. Yes.

Mr. WALSH. Accordingly, as this act expires at that time, the amendments, being a part of the act, will cease to have any force or effect after that date.

Mr. NORRIS. I think the Senator is entirely wrong. This amendment does not purport to be an amendment to that act.

Mr. WALSH. No.

Mr. NORRIS. It shows on its face that it is not an amendment to that act. It does not follow, because it is offered to a bill that is an amendment to a certain act, that it will become an amendment of that act. It shows plainly on its face that it will be permanent law.

Mr. WALSH. Mr. President, the pending bill reads as follows:

That section 1 of an act approved May 30, 1908, entitled "An act to amend the banking laws," as heretofore amended—

And so forth.

Mr. NORRIS. Yes.

Mr. WALSH. And it is this bill, which is an amendment of that act, which the Senator desires now to amend.

Mr. NORRIS. This section is in no sense an amendment to that act. I do not think the Senator's contention is right at all that if this amendment is adopted and goes into law it expires with that act.

The VICE PRESIDENT. Does the Chair understand that it is a separate bill that is now being presented by the Senator?

Mr. NORRIS. It is a separate amendment. It is a new section to the bill. We can provide in one section of a bill to amend a certain section and in another section to amend another section, and in another section of the bill to amend still a different law. Some of those laws may be temporary and pass out of existence by their terms, and others may be permanent; and in the same bill we can put in another section that amends no law and becomes permanent law. There can be no possible doubt about that. For instance, the Aldrich-Vreeland emergency currency bill, as it was passed, amended certain sections of the Revised Statutes.

No man will contend, when the Aldrich-Vreeland Currency Act passes out of existence by its own terms, that the Revised Statutes amended by that act in certain independent sections will therefore pass out of existence. I do not think anyone would contend that.

Mr. WALSH. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. WALSH. I can not understand that at all. The language is that this act shall expire by limitation.

Mr. NORRIS. That is, the Aldrich-Vreeland Currency Act.

Mr. WALSH. That is the Aldrich-Vreeland Currency Act. That provision of the act is as cardinal in its effect as all other provisions in the act. It says, not one part of this act, but this act, the entire act, everything in the act, shall expire by limitation.

Mr. NORRIS. Section 11 of the Aldrich-Vreeland Currency Act amends a certain section of the Revised Statutes. It provides what shall be placed upon the national bank notes. The Senator does not contend that when the Aldrich-Vreeland Currency Act expires by limitation the form of the national bank currency note will be changed again and go to the old form?

Mr. WALSH. I can not possibly reach any other conclusion.

Mr. NORRIS. The amendment which I offer does not become a part of the Vreeland-Aldrich Act. It is a common thing in legislation to provide by one act for the amendment of several different sections, several different independent acts. We could add an amendment on this bill which would provide for a change in the immigration laws, and that would not pass out of existence because the Aldrich-Vreeland Currency Act passed out of existence.

Mr. President, I prefer not to argue it on the technical ground. I want to take up some of the objections which have been urged. The Senator from Missouri [Mr. REED] and the Senator from Colorado [Mr. SHAFROTH] are both anxious to pass the bill. I am not trying to delay its passage. When I offered this amendment I had no idea that it would meet with opposition. I did not undertake to debate it because I had no idea but that it would practically pass by unanimous consent, because from all the Senators I have talked with and all the thought I have been able to give to it it seemed so fair on its face that there could be no possible objection to it.

It is said that if I should withdraw this amendment later on we can take it up and pass a bill that will be even broader and provide for the guaranteeing of deposits. Every Senator here knows that that kind of a bill would incur debate that would make it impossible of passage at least at this session of Congress. The guaranteeing of deposits for national banks is a broad question upon which the Senate and the House and the country are divided, and it will be discussed at length. It will lead to interminable debate. But that question is not involved in this amendment. It is not raised here.

However, I want to say to Senators, particularly those of the South, and in answer to the suggestion made by the Senator from Missouri, that this bill is desired because there is a condition in the South that needs immediate remedy; there is a condition in every State where there is a State guarantee of deposit law that needs immediate remedy. There is a condition everywhere where such a law exists and where a national bank is in competition with a bank across the street doing business under a guarantee-of-deposit law, and at least many of them are anxious for the opportunity to put their bank on a parallel with the competing bank that is doing business in the same town in the same neighborhood. It is a condition which, it seems to me, ought to be remedied. All I seek to do by this amendment is to take off the objection of the Government of the United States and to say that those banks so situated shall have the privilege of the Government to go into the State system if they want to do it.

We have already adopted an amendment to the bill, section 2, I think it is, which provides that State banks shall be allowed to take advantage of the emergency-currency act. This simply gives national banks an opportunity to take advantage of a State law. It is almost on a parallel with that amendment, because that amendment gives certain privileges to State banks to take advantage of a Federal law. This amendment gives the privilege to Federal banks to take advantage of a State law.

Mr. JONES. It does not authorize any further inflation.

Mr. NORRIS. Absolutely not.

Mr. President, I have no desire to delay a vote. It does not seem to me that the amendment ought to lead to debate. If the national banks do not want to take advantage of it, they will have nothing whatever to do. If there is a national bank that does want to take advantage of it, why should we object if the State law provides that they may?

Mr. REED. I move to lay the amendment on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from Missouri to lay the amendment on the table.

Mr. BRISTOW. May I ask the Senator from Missouri to withhold his motion for a moment?

Mr. REED. I really do not want to deny to any Senator the privilege of making remarks. I will withdraw the motion, if the Senator desires.

Mr. BRISTOW. Mr. President, I merely wish to explain to the Senator from Missouri that this is not a complicated matter, nor is it far-reaching or in any way dangerous. Take the State of Kansas. We have a very fine State insurance law which insures the deposits of depositors in State banks. The national banks in our State have undertaken to come in under the provisions of this law and let their depositors have the advantages which depositors in State banks have, but the Comptroller of the Currency has held that it is not permissible

under the law. This amendment simply gives those banks an opportunity, if they so desire, to avail themselves of this law.

The national banks in Kansas have felt the necessity of organizing a private insurance company, of which national bankers alone are stockholders and members, and they insure their deposits in this way. But it is not as good nor as satisfactory to the depositor in many instances as is the State insurance law. I do hope the Senate will not deny the bankers in States like Kansas and Nebraska this opportunity when it can do no harm to any system at all.

Mr. JONES. Mr. President——

Mr. BRISTOW. I yield.

Mr. JONES. I wish to ask the Senator if the comptroller, in his decision denying the national banks the right to come in under the State law, based it on any ground that went to the merits of the proposition or showed any disadvantages that might accrue, or was it simply because the law does not permit it?

Mr. BRISTOW. No; he claimed that the present national banking law would not permit a national bank to join this association, it being a State association. It was believed by a great many lawyers that the comptroller was not right; but, of course, he had the authority to decide, and he decided it, and the banks did not pursue it any further.

I wanted to make these remarks before a vote was taken, because I believe the amendment is just, and I hope it will pass. If the Senator from Missouri renews the motion, I want to ask for the yeas and nays on the motion to lay on the table.

Mr. WILLIAMS. Mr. President, I do not believe that in the long run a State depositors' guaranty system will prove to be safe. The area over which it extends is not broad enough. The number of risks covered are not numerous enough, and especially not varied and divergent enough in character and kind.

I do believe in building up in the Treasury of the United States a depositors' mutual insurance fund for the protection of depositors in the member banks of the reserve-bank system. Such a system would be continental in scope and in diversity of support, of securities, and of risk. I advocated and proposed that in the Democratic conference called to discuss and amend the banking and currency bill, which has since become law. It was then placed upon the bill which was reported here, it passed the Senate, and it went out in conference under a pledge or promise on both sides of the Capitol that the matter would be taken up in the course of time by the committees as a separate piece of legislation and brought to the Senate and House for their consideration and action. I am very sorry that that has not been done. Plenty of time has passed for it to have been done.

But I do not believe in this amendment of the Senator from Nebraska for two reasons. First, I do not believe that the insurance-deposit system confined to a single State, unless it were perhaps some very wealthy State with a very numerous population and very varied industries and commercial interests, like New York or Pennsylvania, is for long safe. In the second place, that being the case, I would not want national banks to enter into the State system in Kansas or Nebraska or Oklahoma. I believe it would threaten the safety of the national banks there and the stability of the national banking system elsewhere interwoven in interest or credit.

Mr. NORRIS. Will the Senator yield?

Mr. WILLIAMS. Yes.

Mr. NORRIS. I should like to say to the Senator that during the last year or within about a year we have had in my State two bank failures, both national banks, and since the adoption of the State guaranty law quite a number of years ago we have never had a failure of a State bank.

Mr. WILLIAMS. Oh, yes; but, Mr. President——

Mr. NORRIS. The Senator says that the system in a State like Nebraska or Kansas is not safe, because the State is not big enough. It is a good deal safer than those institutions in Wall Street.

Mr. WILLIAMS. It takes more than one swallow and more than two swallows to constitute a spring. Insuring deposits through a State guaranty law could no more prevent the failure of a bank than insuring my life could prevent my dying. The sole thing is that if a bank did fail its depositors would be paid, and if I did die my family would be given the amount of money for which I had insured my life. But in the long run it is utterly impossible for me to conceive that either a fire insurance or a life insurance or a financial depositors' insurance company, confined to the border of one State, not very wealthy and not very populous, nor of very great diversity of pursuits and collaterals, can be a safe investment.

I would hate for Mississippi to undertake it. Of course a thing of that sort may go on for a long time without being wrecked. The South Sea bubble scheme went on a longer time than this has gone on in Nebraska, as far as that is concerned, and Law's Mississippi land scheme did, too. Both went on a long time before either was wrecked, but they had to be wrecked after a while.

You could not establish an ordinary fire or life insurance company that was confined to a small area and a small number of risks. You can constitute either successfully, doing business all over a great country like this, and you can constitute a depositor's insurance fund in the Treasury of the United States that will render every depositor in every bank in the United States under the Federal system perfectly safe as an insurance proposition, but I do not believe you can do it with regard to one State for very many years. It may be done for a few years. In fact since this system has been in vogue in these States there has been no great period of financial crisis, panic, or even prolonged trepidation. There has not been even a period of great and prolonged financial depression. There has been no opportunity to test the system, and notwithstanding the fact that there was no opportunity to test it, in at least one of the States where it existed it got into rather a dangerous situation; not in the State represented by the Senator from Nebraska [Mr. NORRIS] nor by the Senator from Kansas [Mr. BRISTOW], however.

I would dislike to see this amendment ingrafted upon the bill for the reasons that I have mentioned and for a further reason: I think it would have a tendency to procrastinate the greater measure, which I hope some time will become a part of the law of the country. Crises and panics are brought on, Mr. President, as a rule not by a fear of bank notes. Not one has ever existed in the United States of America on that account. They are brought on by panic amongst the depositors.

So I had hoped when we had this reserve-bank system up the conferees would bring out the bill with the amendment then proposed by me and which had been ingrafted upon it in the Senate in character such as I described a moment ago. It was generally referred to in newspapers as a "Government guaranty of deposits." It was not that at all. It was a tax upon deposits in the banks for the building up of a mutual depositors' protection fund for all the country, just as the present indemnity fund in the Treasury is kept up in the same way; just as there is a Soldiers' Home fund kept there and raised by levying a tax of 10 cents a month, I believe, upon each regular private soldier. It takes care of the beautiful and homelike Soldiers' Home out here north of Washington, with all the improvements, medical attendants, hospitals, and everything necessary to carry it on. What I proposed is a totally different thing from having a Government guarantee the debts of a corporation, for which I should under no circumstances vote. The deposits in a bank are merely the debts of that bank. The Government has no more right to guarantee the debts of a bank in my town than it has a right to guarantee my debts, but the Government has a right when it inaugurates a national banking system, and thereby lends standing to constituent banks, to provide a means whereby taxes shall be levied upon deposits so that depositors themselves shall be protected. It is a part of the regulation of the banking system whereby the banks are forced to protect the depositors, and not a guaranty of the debt by the Government in any sense. But I believe if this amendment were to go on now, under these circumstances, it could do no good that I see, and it might have the effect of rather delaying action and obscuring vision, as far as this great piece of legislation, that I hope some day to see upon the statute books, is concerned.

Mr. REED. Mr. President, I move to lay the amendment on the table.

Mr. NORRIS. Upon that I ask for the yeas and nays.

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

Mr. FLETCHER (when his name was called). I again announce my pair with the Senator from Wyoming [Mr. WARREN], and I withhold my vote for the present.

Mr. GALLINGER (when his name was called). Again announcing the transfer of my pair as on the previous votes, I vote "yea."

Mr. ROBINSON (when his name was called). Again announcing my pair with the Senator from Michigan [Mr. TOWNSEND], I withhold my vote.

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. COLT] to the Senator from Nevada [Mr. NEWLANDS] and vote. I vote "yea."

Mr. KERN (when Mr. SHIVELY's name was called). I desire to announce the unavoidable absence of my colleague [Mr. SHIVELY].

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Indiana [Mr. SHIVELY] and vote "yea."

Mr. STONE (when his name was called). I transfer my pair with the Senator from Wyoming [Mr. CLARK] to the Senator from Kansas [Mr. THOMPSON] and vote "yea."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. WALSH (when his name was called). I transfer my pair with the Senator from Rhode Island [Mr. LIPPITT] to the senior Senator from Arizona [Mr. SMITH] and vote "yea."

The roll call was concluded.

Mr. FALL. I have a general pair with the senior Senator from West Virginia [Mr. CHILTON], who is absent on official business. I therefore withhold my vote.

Mr. ROBINSON. I transfer my pair with the Senator from Michigan [Mr. TOWNSEND] to the Senator from Nevada [Mr. PITTMAN] and vote. I vote "yea."

The yeas and nays resulted—yeas 31, nays 14, as follows:

YEAS—31.

Bankhead	Myers	Shafroth	Swanson
Bryan	Oliver	Sheppard	Thornton
Camden	Page	Shields	Vardaman
Chamberlain	Pomerene	Simmons	Walsh
Gallinger	Ransdell	Smith, Ga.	West
Kern	Reed	Smith, Mich.	White
Lea, Tenn.	Robinson	Smoot	Williams
McLean	Saulsbury	Stone	

NAYS—14.

Bristow	Hughes	Lewis	Perkins
Burton	Jones	McCumber	Sterling
Clapp	Kenyon	Martine, N. J.	
Crawford	Lane	Norris	

NOT VOTING—51.

Ashurst	du Pont	Lodge	Smith, Ariz.
Borah	Fall	Martin, Va.	Smith, Md.
Brady	Fletcher	Nelson	Smith, S. C.
Brandegee	Goff	Newlands	Stephenson
Burleigh	Gore	O'Gorman	Sutherland
Catron	Gronna	Overman	Thomas
Chilton	Hitchcock	Owen	Thompson
Clark, Wyo.	Hollis	Penrose	Tillman
Clarke, Ark.	James	Pittman	Townsend
Colt	Johnson	Poindexter	Warren
Culberson	La Follette	Root	Weeks
Cummins	Lee, Md.	Sherman	Works
Dillingham	Lippitt	Shively	

The VICE PRESIDENT. On the motion to lay the amendment proposed by the Senator from Nebraska [Mr. NORRIS] on the table, the yeas are 31 and the nays are 14. Not a sufficient number of pairs have been announced to make a quorum. The Secretary will call the roll.

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

Bankhead	Kenyon	Perkins	Sterling
Bryan	Kern	Pomerene	Stone
Burton	Lane	Ransdell	Swanson
Camden	Lea, Tenn.	Reed	Thomas
Chamberlain	Lewis	Robinson	Thornton
Chilton	McCumber	Saulsbury	Vardaman
Clapp	McLean	Shafroth	Walsh
Crawford	Martine, N. J.	Sheppard	West
Fall	Myers	Shields	White
Fletcher	Norris	Simmons	Williams
Gallinger	Oliver	Smith, Ga.	
Hughes	Overman	Smith, Mich.	
Jones	Page	Smoot	

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The pending question is on the motion of the Senator from Missouri [Mr. REED] to lay on the table the amendment proposed by the Senator from Nebraska [Mr. NORRIS].

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

The VICE PRESIDENT. The Chair is unable to entertain that motion. The roll call is proceeding. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CULBERSON (when his name was called). Again announcing my pair and its transfer, I vote "yea."

Mr. FLETCHER (when his name was called). Announcing my pair as before, I withhold my vote; but I desire to be counted as present to constitute a quorum.

Mr. GALLINGER (when his name was called). Making the same transfer as on the former vote, I vote "yea."

Mr. ROBINSON (when his name was called). I again announce my pair with the Senator from Michigan [Mr. TOWNSEND] and for the present withhold my vote.

Mr. SAULSBURY (when his name was called). I make the same announcement of my pair and its transfer as on the previous vote and vote "yea."

Mr. STONE (when his name was called). I make the same announcement as to my pair as on the former vote and vote "yea."

Mr. THOMAS (when his name was called). I again announce my pair and withhold my vote. If at liberty to vote, I should vote "nay."

Mr. WALSH (when his name was called). I transfer my pair with the Senator from Rhode Island [Mr. LIPPITT] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

The roll call was concluded.

Mr. FLETCHER. I transfer my pair with the Senator from Wyoming [Mr. WARREN] to the Senator from Maryland [Mr. LEE] and vote "yea."

The result was announced—yeas 35, nays 16, as follows:

YEAS—35.

Bankhead	Kern	Reed	Stone
Bryan	Lea, Tenn.	Saulsbury	Swanson
Camden	McLean	Shafroth	Thornton
Chamberlain	Myers	Sheppard	Vardaman
Chilton	Oliver	Shields	Walsh
Culberson	Overman	Simmons	West
Fall	Page	Smith, Ga.	White
Fletcher	Pomerene	Smith, Mich.	Williams
Gallinger	Ransdell	Smoot	

NAYS—16.

Ashurst	Crawford	Lane	Nelson
Brady	Hughes	Lewis	Norris
Burton	Jones	McCumber	Perkins
Clapp	Kenyon	Martine, N. J.	Sterling

NOT VOTING—45.

Borah	Gore	O'Gorman	Stephenson
Brandegee	Gronna	Owen	Sutherland
Bristow	Hitchcock	Penrose	Thomas
Burleigh	Hollis	Pittman	Thompson
Catron	James	Poindexter	Tillman
Clark, Wyo.	Johnson	Robinson	Townsend
Clarke, Ark.	La Follette	Root	Warren
Colt	Lee, Md.	Sherman	Weeks
Cummins	Lippitt	Shively	Works
Dillingham	Lodge	Smith, Ariz.	
du Pont	Martin, Va.	Smith, Md.	
Goff	Newlands	Smith, S. C.	

So Mr. NORRIS's amendment was laid on the table.

The VICE PRESIDENT. The bill is before the Senate as in Committee of the Whole and open to further amendment.

Mr. LANE. Mr. President, before the bill is finally passed, I wish to say a word in connection with it.

Mr. KERN. Will the Senator yield to me a moment?

Mr. LANE. I yield to the Senator.

Mr. KERN. I move that at not later than 6 o'clock p. m. the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to.

Mr. LANE. Mr. President, I have been thinking from an unprejudiced standpoint of the results which would be accomplished by this bill if it becomes a law. I find that, taking a bank which has, say, a hundred thousand dollars of capital and surplus loaned out at 8 per cent, in one quarter, or three months, it would receive $2,000 in interest. Under the bill that bank, on approved commercial paper, will be allowed to issue $75,000 of emergency-currency notes, which it can loan and also receive 8 per cent interest. During that three months the bank would have to pay a tax of 3 per cent to the Government, so that there will remain net to the bank a profit of 5 per cent for three months on the $75,000, which will add $937.50 to the income of the bank.

If that is true—and I see no error in the computation—there is an increase of almost 50 per cent to the income of the bank. Its income, then, amounts to about 12 per cent upon an original capitalization of a hundred thousand dollars invested in commercial paper, notes of hand, bills of exchange, all ordinary paper that floats through, in, and out of a national bank. Such assets can be readily increased or decreased.

So we have about 12 per cent coming to the gentlemen who have invested the hundred thousand dollars. Who is going to pay it? That will come out of the people of this country; they are going to pay $937.50 more on the hundred thousand dollars than they pay now.

The Democratic Party, which has in the past criticized the Vreeland-Aldrich bill—and I am one of those who has criticized it—as being a measure which was enacted by a party which has been too closely connected, hooked up with, and tied to the big interests, is putting before the people, as a Democratic measure, enacted by the party of the people for the benefit of the people, a bill which is not in accord with sound principles of finance, is undemocratic, is going to cost the people more money, and which will not, in my opinion, relieve existing conditions.

I have no confidence in any such doctrine as that. It is an unsound financial proposition. One of the Senators said yesterday that the British Nation, in a state of war, who are raising a million men to go over and fight the Germans, at an enormous expense, had gotten down under the stress of such war conditions so that they had but 16½ per cent reserve of gold. Under this bill, and the one that is tied to it, and other measures that we have introduced here, the American people, who are not at war with anybody, who have cotton and wheat and produce of all kinds to sell, will be on a gold basis of 5 per cent, and in addition the people of the country will be up against an inflated currency, for which they will be compelled to pay 12 per cent. A Democratic measure? A Democratic doctrine?

I am going to give you a correct imitation of one Democratic Senator who will vote against this bill because he thinks it is undemocratic, and that it is special legislation in the interest of a few and against the masses of this country. I not only want to vote against it, but I am going to protest against it, and I have taken up this length of time to do so.

You can not fool the people on any such proposition as that very long; at least, I do not think you can. It may be expedient, but it is not good principle. I do not like to see it passed. We have been putting through a good deal of special legislation in the recent past, and now, when we are dealing with the very lifeblood of the people, the circulating medium, the great high power to issue, which should remain in the hands of the Government itself, we pass it over to irresponsible agents to make profit from it.

The people are responsible for these notes. They guarantee the credit of this money, and pay a profit of 12 per cent for doing so. The Government of this country should issue the money to the people direct. No one else should have that right. We have no right to delegate it to any set of gentlemen. If there is emergent need of more money, this Government can print it as fast as a bank can, and its guaranty is better. The resources of the country, with the Government behind the notes, are better security. You would not then have to check up securities in order to ascertain which had been "kited" and which were good, and which would be paid when they became due.

I am ready for a vote.

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 and read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Mr. SMITH of Michigan. On the passage of the bill I call for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is, Shall the bill pass?

The bill was passed.

STANDARD BOX FOR APPLES.

Mr. CLAPP. Mr. President, a few days ago the Senate recalled from the House of Representatives the bill (S. 4517) to establish a standard box for apples, and for other purposes. I presume, as a matter of parliamentary procedure, there should be a motion entered to reconsider. I desire at this time to enter a motion to reconsider the vote by which the bill was passed by the Senate.

The VICE PRESIDENT. The motion may be entered, but the Chair will have to call the attention of the Senator from Minnesota to the fact that the time has long since expired within which the motion to reconsider could be entered. The Chair suggests that for the present the RECORD will show the entry of the motion to reconsider, and the disposition of it will be taken up later.

Mr. JONES. Mr. President, I did not intend to make a point of order against the motion at all, because I know the Senator simply wants time in which to get certain information.

The VICE PRESIDENT. It is not the business of the Chair to make it, except that the Chair's attention has been called to the fact.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the amendments of the Senate to the concurrent resolution (H. Con. Res. 42) authorizing the printing of the journal of the national encampment of the Grand Army of the Republic.

The message also announced that the House had passed the joint resolution (S. J. Res. 166) authorizing the President to designate two officers connected with the Public Health Service to represent the United States at the Sixth International Sanitary Conference of American States, to be held at Montevideo, Uruguay, in December, 1914, and making an appropriation to pay the expenses of said representatives, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed a concurrent resolution (No. 46) providing for the printing of additional copies of House Documents Nos. 939 and 908 of the Sixty-third Congress, relative to the dress and waist industry in New York City, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED.

The message also anounced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were thereupon signed by the Vice President:

S. 4741. An act for the protection of the water supply of the city of Salt Lake City, Utah; and

S. J. Res. 121. Joint resolution authorizing the Secretary of War to furnish one United States garrison flag to William B. Cushing Camp, No. 30, Sons of Veterans.

THE OIL INDUSTRY.

Mr. WILLIAMS. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back with amendments Senate resolution 442, for the appointment of a committee to investigate and report upon the alleged monopoly of the ownership of pipe lines for the transportation of petroleum, for the fixing of the price of petroleum, and so forth.

The VICE PRESIDENT. The resolution will be placed on the calendar.

BILLS INTRODUCED.

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

By Mr. PAGE:

A bill (S. 6481) granting a pension to Emily L. Small (with accompanying papers); to the Committee on Pensions.

By Mr. GOFF:

A bill (S. 6482) granting an increase of pension to Isaiah Davis (with accompanying papers); and

A bill (S. 6483) granting an increase of pension to Thomas H. Core (with accompanying papers); to the Committee on Pensions.

DRESS AND WAIST INDUSTRY.

The VICE PRESIDENT laid before the Senate the following concurrent resolution (No. 46) of the House of Representatives, which was read and referred to the Committee on Printing:

Resolved by the House of Representatives (the Senate concurring), That there be printed 20,000 additional copies of House Document No. 939, Sixty-third Congress, Wages and Regularity of Employment in the Dress and Waist Industry in New York City, and 20,000 additional copies of House Document No. 908, Sixty-third Congress, being Conciliation, Arbitration, and Sanitation in the Dress and Waist Industry in New York City. That 15,000 copies of each of said documents be placed in the House document room for the use of Members and 5,000 placed in the Senate document room for the use of Senators.

SIXTH INTERNATIONAL SANITARY CONFERENCE.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 166) authorizing the President to designate two officers connected with the Public Health Service to represent the United States at the Sixth International Sanitary Conference of American States, to be held at Montevideo, Uruguay, in December, 1914, and making an appropriation to pay the expenses of said representatives, and for other purposes, which was, on page 2, line 3, after "appropriated," to insert "out of any money in the Treasury not otherwise appropriated."

Mr. STONE. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

CHIPPEWA RIVER BRIDGE, WIS.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 4976) permitting the Wisconsin Central Railway Co. and the Minneapolis, St. Paul & Sault Ste. Marie Railway Co., its lessee, to construct, maintain, and operate a railroad bridge across the Chippewa River at Chippewa Falls, Wis., which were, on page 1, line 8, to strike out "railroad" and to amend the title so as to read: "An act permitting the Wisconsin Central Railway Co. and the Minneapolis, St. Paul & Sault Ste. Marie Railway Co., its lessee, to construct, maintain, and operate a bridge across the Chippewa River at Chippewa Falls, Wis."

Mr. CLAPP. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

EXECUTIVE SESSION.

Mr. KERN. 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 5 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 50 minutes p. m., Friday, September 11, 1914) the Senate took a recess until to-morrow, Saturday, September 12, 1914, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate September 11 (legislative day of September 5), 1914.

UNITED STATES ATTORNEY.

Harvey A. Baker, of Providence, R. I., to be United States attorney for the district of Rhode Island, vice Walter R. Stiness, resigned.

COLLECTOR OF CUSTOMS.

James L. McGovern, of Bridgeport, Conn., to be collector of customs, for customs collection district No. 6, in place of Fred Enos, whose term of office expired by limitation February 28, 1914.

POSTMASTERS.

ARKANSAS.

Mrs. C. A. Harris to be postmaster at Junction City, Ark., in place of Charles L. Jones, removed.

Charles McBride Cox to be postmaster at Rector, Ark., in place of Joel A. Harper, removed.

CALIFORNIA.

L. E. Payne to be postmaster at Carmel, Cal., in place of Lewis S. Slevin, resigned.

GEORGIA.

T. A. Adkins to be postmaster at Vienna, Ga., in place of Robert S. Middleton, deceased.

John W. Wells to be postmaster at Adel, Ga., in place of William M. Wakeford, deceased.

ILLINOIS.

George L. Hausmann to be postmaster at Vandalia, Ill., in place of Frank C. Eckard, resigned.

Henry A. Stokoe to be postmaster at Farmington, Ill., in place of Sewell P. Wood. Incumbent's commission expired June 2, 1914.

INDIANA.

H. C. Rutledge to be postmaster at Indiana Harbor, Ind., in place of Albert G. Lundquist, removed.

IOWA.

William L. Holtz to be postmaster at Newell, Iowa, in place of Albert F. Morse, resigned.

A. A. Montgomery to be postmaster at Stuart, Iowa, in place of John R. Smull, jr. Incumbent's commission expired March 16, 1914.

James Nowak to be postmaster at Malcom, Iowa, in place of Elizabeth Winchell, name changed by marriage.

William Walter to be postmaster at Dyersville, Iowa, in place of Clarence A. Muehe, removed.

KANSAS.

Thomas C. Rodgers to be postmaster at Beloit, Kans., in place of W. C. Perdue. Incumbent's commission expired June 21, 1914.

Inez E. Smith to be postmaster at Robinson, Kans., in place of A. B. Smith, deceased.

B. F. Tatum to be postmaster at Kinsley, Kans., in place of Charles A. Mosher. Incumbent's commission expired June 21, 1914.

KENTUCKY.

Otis W. Jackson to be postmaster at Clinton, Ky., in place of James D. Via, resigned.

A. G. Patterson to be postmaster at Pineville, Ky., in place of George C. Davis, resigned.

John B. Wathen to be postmaster at Lebanon, Ky., in place of Thomas C. Jackson. Incumbent's commission expired April 29, 1914.

LOUISIANA.

Martha E. Thompson to be postmaster at Winnsboro, La., in place of Martha E. Thompson. Incumbent's commission expired January 25, 1914.

MINNESOTA.

Jacob J. Folsom to be postmaster at Hinckley, Minn., in place of W. H. Noble. Incumbent's commission expired June 2, 1914.

Joseph Haggett to be postmaster at Bird Island, Minn., in place of Joseph H. Feeter, resigned.

John Morgan to be postmaster at Thief River Falls, Minn., in place of Frank H. Kratka, removed.

MISSISSIPPI.

W. W. Robertson to be postmaster at McComb, Miss., in place of Elijah T. Butler, resigned.

MONTANA.

James Bartley to be postmaster at Fort Benton, Mont., in place of Charles Lepley, resigned.

NEBRASKA.

Francis W. Brown to be postmaster at Lincoln, Nebr., in place of Edward R. Sizer. Incumbent's commission expired April 20, 1914.

Robert E. McBride to be postmaster at Red Cloud, Nebr., in place of Theodore C. Hacker, resigned.

NEW MEXICO.

L. L. Burkhead to be postmaster at Columbus, N. Mex. Office became presidential April 1, 1914.

NEW YORK.

Leo P. Collins to be postmaster at Mineville, N. Y. Office became presidential April 1, 1914.

John J. Heneher to be postmaster at Cornwall, N. Y., in place of Henry Riley. Incumbent's commission expired March 17, 1914.

Samuel H. Hunt to be postmaster at Palmyra, N. Y., in place of Robert H. Bareham. Incumbent's commission expired May 18, 1914.

John H. Hurley to be postmaster at Rushville, N. Y. Office became presidential January 1, 1914.

John C. Jubin to be postmaster at Lake Placid Club, N. Y., in place of John C. Jubin. Incumbent's commission expired February 9, 1913.

John T. Kopp to be postmaster at Martinsville, N. Y. Office became presidential July 1, 1914.

Charles R. McCann to be postmaster at Salamanca, N. Y., in place of Edward Bolard, removed.

H. D. Sibley to be postmaster at Olean, N. Y., in place of Edward Troy. Incumbent's commission expired May 6, 1914.

Henry H. Tripp to be postmaster at Millbrook, N. Y., in place of Frank W. Hallock. Incumbent's commission expired February 21, 1914.

John Toole to be postmaster at Hudson Falls, N. Y., in place of John Dwyer. Incumbent's commission expired March 5, 1914.

Bessie M. Wyvell to be postmaster at Wellsville, N. Y., in place of Frank W. Higgins, resigned.

OHIO.

Samuel A. Kinnear to be postmaster at Columbus, Ohio, in place of Harry W. Krumm. Incumbent's commission expired April 21, 1914.

J. O. Shaw to be postmaster at Newcomerstown, Ohio (late New Comerstown), in place of John R. McElroy, to change name of office.

F. F. Taylor to be postmaster at Seville, Ohio, in place of John A. Lowrie, removed.

OKLAHOMA.

P. H. Dalby to be postmaster at Ramona, Okla., in place of E. E. Heyle, resigned.

Luke Roberts to be postmaster at Hollis, Okla., in place of Robert G. Morris, removed.

Charles L. Williams to be postmaster at Maysville, Okla., in place of Robert L. Sample, resigned.

PENNSYLVANIA.

C. C. Roseborough to be postmaster at Alexandria, Pa. Office became presidential April 1, 1914.

RHODE ISLAND.

James Mangan to be postmaster at Greystone, R. I., in place of Frederick Webley, deceased.

TEXAS.

R. G. Brown, sr., to be postmaster at Longview, Tex., in place of T. E. Durham, deceased.

VIRGINIA.

S. S. Brooks to be postmaster at Appalachia, Va., in place of W. B. Peters, resigned.

F. G. Johnson to be postmaster at Toms Creek, Va., in place of George W. Rose, resigned.

Frederick A. Lewis to be postmaster at Emporia, Va., in place of William T. Tillar, resigned.

WASHINGTON.

Leonard Talbott to be postmaster at Toppenish, Wash., in place of Charles W. Grant, removed.

WEST VIRGINIA.

W. G. Bayliss to be postmaster at Macdonald, W. Va., in place of J. W. P. St. Clair, removed.

WISCONSIN.

John F. Samson to be postmaster at Cameron, Wis., in place of Frank Samson, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 11 (legislative day of September 5), 1914.

UNITED STATES MARSHAL.

Jerome J. Smiddy to be United States marshal, district of Hawaii.

RECEIVER OF PUBLIC MONEYS.

John J. Missemer to be receiver of public moneys at Hugo, Colo.

REGISTER OF THE LAND OFFICE.

John R. Beavers to be register of the land office at Hugo, Colo.

POSTMASTERS.

ILLINOIS.

William F. Hogan, Dixon.

MASSACHUSETTS.

John McGrath, Amesbury.
E. H. Moore, Holden.

NEW YORK.

Bessie M. Wyvell, Wellsville.

WITHDRAWALS.

Executive nominations withdrawn September 11 (legislative day of September 5), 1914.

POSTMASTERS.

ARKANSAS.

G. R. Pendleton to be postmaster at Junction City, Ark.

NEW MEXICO.

E. R. Gesler to be postmaster at Columbus, N. Mex.

PENNSYLVANIA.

George R. Hutchison to be postmaster at Alexandria, Pa.

HOUSE OF REPRESENTATIVES.

FRIDAY, *September 11, 1914.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Most merciful God, our heavenly Father, whose will is good will and in whom we put our trust, impart unto us of Thy substance that we may prove our faith in the common daily duties of life by a faithful service to our fellow men in justice, equity, truth, and good will, and thus be the instruments in Thy hands for the furtherance of Thy plans; in the spirit of the Master. Amen.

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

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. MITCHELL, for 2 days, on account of death in his family.

To Mr. ROTHERMEL, for 1 day, on account of sickness.

To Mr. CONRY, for 10 days, on account of illness.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 311. Joint resolution instructing American delegate to the International Institute of Agriculture to present to the permanent committee for action at the general assembly in 1915 certain resolutions.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to bill and joint resolution of the following titles:

S. 4741. An act for the relief and protection of the water supply of the city of Salt Lake City, Utah; and

S. J. Res. 121. Joint resolution authorizing the Secretary of War to furnish one United States garrison flag to William B. Cushing Camp, No. 30, Sons of Veterans.

APPROPRIATIONS AT THIS SESSION OF CONGRESS.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that immediately after the reading of the Journal to-morrow the gentleman from Massachusetts [Mr. GILLETT] and myself may address the House on the question of appropriations at this session of Congress for not to exceed one hour each.

The SPEAKER. The gentleman from New York asks unanimous consent that to-morrow, immediately after the reading of the Journal, the gentleman from Massachusetts [Mr. GILLETT], the ranking member of the Committee on Appropriations, and himself may address the House for not to exceed one hour each on the subject of appropriations at this session of Congress. Is there objection?

There was no objection.

REGINA F. PALMER.

Mr. RUSSELL. Mr. Speaker, I ask unanimous consent to discharge the Committee on Invalid Pensions from further consideration of House joint resolution 342, to correct an error in H. R. 12914, an omnibus pension bill, and to consider the same at this time.

The SPEAKER. The gentleman from Missouri asks unanimous consent to discharge the Committee on Invalid Pensions from further consideration of House joint resolution 342 and to consider the same at this time. The Clerk will report the resolution.

The Clerk read as follows:

House joint resolution 342.

Whereas by an error in printing the report of the Committee on Invalid Pensions upon H. R. 12914, approved July 21, 1914 (Private, No. 86), the designation of the military service of one Wilson P. Palmer, late captain Company G, Two hundred and tenth Regiment Pennsylvania Volunteer Infantry, was changed to read "late Lieut. Col. Letzinger's emergency battalion"; and

Whereas there is also an error in the soldier's name, which changed it to read "William P. Palmer": Therefore be it

Resolved, etc., That the paragraph in H. R. 12914, approved July 21, 1914, granting a pension to Regina F. Palmer, as widow of William P. Palmer, Lieut. Col. Letzinger's battalion, Pennsylvania Infantry, be amended to read as follows:

"The name of Regina F Palmer, widow of Wilson P. Palmer, late captain Company G, Two hundred and tenth Regiment Pennsylvania Volunteer Infantry, and pay her a pension at the rate of $30 per month in lieu of that she is now receiving."

The SPEAKER. Is there objection?

There was no objection.

Mr. MANN. Mr. Speaker, it seems to me that the gentleman from Missouri [Mr. RUSSELL] or some other member of the Committee on Invalid Pensions ought to go over that act and get all of the corrections in at once. We have passed a number of resolutions reciting as a fact what is not the fact—that through an error in printing a certain bill certain errors were made. The errors were not in printing the bill at all. We put it off on the Printing Office, as though the printers had made an error, which they did not do. We seek to shove our errors onto some one else. Some one has told me that there are about 40 errors in that law. I do not know whether there are or not. I think we have corrected about a dozen or so. Why does not the committee go through the act and discover what the errors are and bring in a resolution correcting them all at once, without telling an untruth about it?

Mr. RUSSELL. Mr. Speaker, I think, perhaps, that would be a proper thing to do; but I want to state to the gentleman from Illinois and to the House that out of about 2,000 bills that were introduced and passed at this session it is not at all surprising that there have been several mistakes, usually very minor mistakes, in a given name or in the number of the company or regiment or something of that sort. The form of this resolution was prepared by the examiner who was sent to the committee by the Pension Department.

Mr. MANN. And I suppose he made the error, and he wants to put it on somebody else.

Mr. RUSSELL. That may be true. I confess that we have not taken the time—and I think it would be a very considerable labor to do that—to go through the acts passed and compare them with the 2,000 bills that have been introduced and considered in the House by different Members to see whether any mistakes have been made.

Mr. MANN. I suppose the Pension Office knows now regarding the mistakes, because, as I understand, they do not allow these pensions because of the errors in the description of the person. I suppose they know them all. That is where the gentlemen who introduce these resolutions get their information. I do not wonder that mistakes are made, although it seems curious that so many mistakes were made in one act. What

I object to is putting our mistakes off on the Public Printer, by saying that through some error in printing the bill the mistake was made, when the printer followed copy exactly.

Mr. RUSSELL. My recollection is the resolution introduced about three days ago by the gentleman from Massachusetts [Mr. GILLETT] was objected to by the gentleman from Illinois, and we undertook to modify that form to correspond with the criticism of the gentleman from Illinois, and in that resolution stated that it was a clerical error, but I understand the gentleman from Illinois objected to that.

Mr. MANN. Oh, no; I did not object to that.

Mr. RUSSELL. My recollection is that the gentleman stated that it was not true.

Mr. MANN. I congratulated the committee on reciting the facts correctly when they said a clerical error, instead of reciting that it was through an error in printing.

Mr. RUSSELL. Since that time, I will state to the gentleman from Illinois, I have suggested to every Member who has consulted me about it that they ought to follow that form; but this resolution was this morning for the first time called to my attention by the gentleman from Oregon [Mr. LAFFERTY]. I had not seen it before, and had never heard of it, but it is proper that the correction be made, and its form was prepared by the examiner sent here by the Pension Department. I dislike very much to annoy the House with these resolutions, but they should be corrected in some way.

Mr. MANN. Oh, I think the House is under obligations to the gentleman from Missouri for his courtesy in the matter.

Mr. RUSSELL. I thank my friend from Illinois.

Mr. GOULDEN. Mr. Speaker, will the gentleman yield?

Mr. RUSSELL. Yes.

Mr. GOULDEN. These mistakes occur because they are made by the Members?

Mr. RUSSELL. Frequently by Members, but possibly sometimes by some clerk.

Mr. GOULDEN. It is not a very serious matter, anyway.

Mr. RUSSELL. I know these mistakes are sometimes made by Members themselves.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

ENROLLED BILL AND JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled bill and joint resolution of the following titles:

S. 4741. An act for the protection of the water supply of the city of Salt Lake City, Utah; and

S. J. Res. 121. Joint resolution authorizing the Secretary of War to furnish one United States garrison flag to William B. Cushing Camp, No. 30, Sons of Veterans.

ENROLLED JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following joint resolutions:

H. J. Res. 334. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914; and

H. J. Res. 337. Joint resolution to provide for representation of foreign Governments growing out of existing hostilities in Europe and elsewhere, and for other purposes.

ORDER OF BUSINESS.

The SPEAKER. Under the agreement entered into yesterday the House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill——

Mr. MANN. Mr. Speaker, there was no agreement.

The SPEAKER. Why, the gentleman from Oklahoma [Mr. FERRIS] got unanimous consent

Mr. MADDEN. Mr. Speaker, I objected to the unanimous consent.

The SPEAKER. If the gentleman did so, that is the end of it.

Mr. FERRIS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FERRIS. Under the rule, so long as the consideration of these conservation bills provided for under the special rule did not conflict or interfere with pension days, are not those bills in order under the rule?

Mr. MADDEN. Mr. Speaker, if I may be allowed, in making the objection which I made last night I simply made it for the purpose of preventing this bill from getting in the way of business that was entitled to be taken up to-day. I really think there is no objection to the consideration of the bill now, and I certainly would not make any, but my objection last night was for the purpose of giving the legitimate business of the day the right of way.

Mr. FERRIS. Mr. Speaker, I believe the gentleman in all fairness will allow me to state I asked that it be considered only in the event there was no pension legislation. I have not offered to take any advantage whatever. I now ask to proceed with this bill to-day.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to proceed with the consideration of the bill H. R. 16136. Is there objection?

Mr. HOWARD. Mr. Speaker, reserving the right to object, I would like to ask the Chair what would be the status of bills on the Private Calendar other than pension bills in the event the Committee on Pensions had no bills? Would the calendar be considered in the regular order under the rule?

Mr. MANN. If the Speaker will permit me to make a suggestion to the gentleman, the bills which would be in order to-day are, first, bills removing the charge of desertion. They would probably take the day.

The SPEAKER. The Chair will read the rule, beginning at the beginning:

On Friday of each week, after the disposal of such business on the Speaker's table as requires reference only, it shall be in order to entertain a motion for the House to resolve itself into the Committee of the Whole House to consider business on the Private Calendar in the following order: On the second and fourth Fridays of each month preference shall be given to the consideration of private pension claims and bills removing political disabilities and bills removing the charge of desertion. On every Friday except the second and fourth Fridays the House shall give preference to the consideration of bills reported from the Committee on Claims and the Committee on War Claims, alternating between the two committees.

Now, the rule says preference shall be given on the second and fourth Fridays in the consideration of private pension claims and bills removing political disabilites and bills removing the charge of desertion. Now, if there are any bills of that sort they may be considered under this rule.

Mr. HOWARD. Mr. Speaker, the reason I reserved the right to object—I do not know that I intend to object finally—is this: There are many bills on the Private Calendar that have been objected to on the Unanimous Consent Calendar, and there has been absolutely no opportunity for the membership of the House to consider those bills on their merits, and if there would not be any opportunity to consider those bills to-day that come from the Committee on Military Affairs, of which I am a member—and I have reported for the committee several of those bills on the calendar—or from the Committee on Naval Affairs, I certainly will object; and I would like to ascertain, if possible, how many bills for the removal of disabilities are on the calendar, if any.

The SPEAKER. That is a thing the Speaker does not know.

Mr. HOWARD. Well, Mr. Speaker, if I am in order, I will ask unanimous consent that bills on the Private Calendar that have not received any consideration, reported from the Committee on Military Affairs and the Committee on Naval Affairs, be made the order of business to-day.

The SPEAKER. There can not be two unanimous consents pending at once. The Chair will first put the one of the gentleman from Oklahoma.

Mr. HOWARD. Can I move to substitute my motion for the motion of the gentleman from Oklahoma?

The SPEAKER. No.

Mr. HOWARD. Then, Mr. Speaker, I object to the unanimous consent.

The SPEAKER. The gentleman from Georgia objects.

Mr. HOWARD. I then ask unanimous consent that bills reported from the Committees on Naval Affairs and Military Affairs be considered to-day.

The SPEAKER. The gentleman from Georgia asks unanimous consent that bills emanating from the Committee on Military Affairs and the Committee on Naval Affairs be in order to-day. Is there objection?

Mr. ALLEN. Mr. Speaker, reserving the right to object——

Mr. MANN. Mr. Speaker, I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. HOWARD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOWARD. Will it be in order to move that the House go into the Committee of the Whole House?

The SPEAKER. It is in order for the gentleman to make the motion for the House to resolve itself into the Committee of the

Whole House for the consideration of private pension claims, bills removing political disabilities, and bills removing the charge of desertion.

Mr. HOWARD. Well, Mr. Speaker, not to repeat what the Speaker has said, I move that the House resolve itself into the Committee of the Whole House for the purpose of considering bills on the Private Calendar under the rule.

Mr. FERRIS. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. FERRIS. The point of order is this: Under the rule, so long as no member of the Committee on Military Affairs or of the Committee on Pensions is clamoring for recognition or seeking to bring up any legislation on the two days set apart for their business, I think we automatically resolve the House in Committee of the Whole for the consideration of this bill, and the gentleman's motion therefore is not in order.

Mr. HOWARD. Mr. Speaker, I am a member of the Committee on Military Affairs.

The SPEAKER. The gentleman has the right to make a motion. It is not necessary for the chairman of one of those committees to make the motion. The special order excepted private bills from the operation of that rule, anyway. The question is on agreeing to the motion of the gentleman from Georgia [Mr. HOWARD], that the House resolve itself into Committee of the Whole House to consider bills on the Private Calendar.

Mr. FERRIS. A parlimentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. FERRIS. Does the motion embody the taking up of any other bills than bills emanating from the Committee on Pensions and the Committees on Military Affairs and Naval Affairs—bills removing the charge of desertion?

The SPEAKER. The Chair assumes that, when he is appointed, the Chairman of the Committee of the Whole House will decide that matter for himself.

Mr. BUCHANAN of Illinois rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. BUCHANAN of Illinois. For information. I would like to ask the gentleman from Georgia [Mr. HOWARD] if there are any bills of that character on the calendar?

Mr. HOWARD. Of what character?

Mr. BUCHANAN of Illinois. Bills from the Committees on Naval Affairs or Military Affairs for removing the charge of desertion.

Mr. HOWARD. There are numerous bills, Mr. Speaker, on the calendar from the Committees on Military Affairs and Naval Affairs that will never be reached unless we get this motion agreed to.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Georgia [Mr. HOWARD], that the House resolve itself into Committee of the Whole House for the consideration of bills on the Private Calendar.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. FERRIS. A division, Mr. Speaker.

The SPEAKER. A division is demanded. All those in favor of agreeing to the motion that the House resolve itself into Committee of the Whole House for the consideration of bills on the Private Calendar will rise and stand until they are counted. [After counting.] Eighty-seven gentlemen have arisen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Seventy-one gentlemen have arisen in the negative. On this question the ayes are 87 and the noes are 71, and the House——

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Illinois [Mr. MANN] makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and ninety-two Members are present—not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. Those in favor of going into Committee of the Whole House will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 176, nays 141, answered "present" 5, not voting 109, as follows:

YEAS—176.

Abercrombie	Bathrick	Bulkley	Claypool
Adamson	Beall, Tex.	Burnett	Cline
Alexander	Blackmon	Butler	Coady
Allen	Britten	Byrns, Tenn.	Collier
Ansberry	Brockson	Candler, Miss.	Cooper
Ashbrook	Brodbeck	Cantrill	Covington
Aswell	Broussard	Caraway	Dale
Bailey	Brown, W. Va.	Cary	Decker
Baker	Bruckner	Casey	Deitrick
Baltz	Buchanan, Tex.	Clark, Fla.	Dent
Dershem	Hammond	Madden	Rucker
Dickinson	Hardwick	Maguire, Nebr.	Rupley
Dies	Hardy	Mapes	Russell
Difenderfer	Hart	Miller	Saunders
Dixon	Haugen	Mitchell	Shackleford
Doremus	Hawley	Mondell	Sherwood
Driscoll	Hay	Montague	Sims
Drukker	Heflin	Moon	Slayden
Dupré	Henry	Morgan, La.	Smith, Idaho
Eagle	Holland	Morin	Smith, J. M. C.
Edmonds	Howard	Mott	Smith, Saml. W.
Edwards	Howell	Mulkey	Smith, Tex.
Evans	Hughes, Ga.	Neely, W. Va.	Stanley
Farr	Hull	Nolan, J. I.	Stedman
Fields	Igoe	O'Hair	Stephens, Miss.
Fitzgerald	Jacoway	Oldfield	Stephens, Nebr.
FitzHenry	Johnson, Ky.	Padgett	Stevens, Minn.
Flood, Va.	Johnson, S. C.	Page, N. C.	Stone
Foster	Kinkead, N. J.	Park	Sumners
Francis	Kirkpatrick	Phelan	Talcott, N. Y.
Frear	Kitchin	Platt	Taylor, Ala.
French	Kreider	Post	Taylor, Colo.
Gard	Lazaro	Pou	Thomas
Garner	Lee, Ga.	Prouty	Tribble
Garrett, Tenn.	Lee, Pa.	Quin	Underwood
Garrett, Tex.	Lesher	Ragsdale	Vaughan
Godwin, N. C.	Lieb	Rainey	Walker
Goeke	Linthicum	Raker	Watson
Goodwin, Ark.	Lloyd	Rauch	White
Gordon	Lobeck	Rayburn	Williams
Goulden	Lonergan	Reilly, Wis.	Willis
Gray	McCoy	Riordan	Wilson, Fla.
Gudger	McKellar	Roberts, Mass.	Wingo
Hamilton, Mich.	McLaughlin	Rubey	Young, Tex.

NAYS—141.

Adair	Davenport	Keister	Porter
Ainey	Davis	Kelly, Pa.	Reed
Anderson	Dillon	Kennedy, Conn.	Roberts, Nev.
Avis	Donohoe	Kennedy, Iowa	Rogers
Barchfeld	Donovan	Kennedy, R. I.	Rouse
Barkley	Dooling	Kettner	Scott
Barnhart	Doolittle	Kinkaid, Nebr.	Sherley
Barton	Dunn	Konop	Sinnott
Beakes	Eagan	Lafferty	Sisson
Bell, Cal.	Esch	La Follette	Sloan
Booher	Falconer	Langham	Small
Borchers	Fergusson	Langley	Smith, Minn.
Borland	Ferris	Lenroot	Stafford
Bowdle	Fordney	Lindbergh	Stephens, Cal.
Browne, Wis.	Fowler	Logue	Stephens, Tex.
Brumbaugh	Gallivan	McAndrews	Stevens, N. H.
Bryan	Gilmore	McClellan	Taggart
Buchanan, Ill.	Gittins	McGuire, Okla.	Talbott, Md.
Burke, S. Dak.	Goldfogle	McKenzie	Taylor, Ark.
Burke, Wis.	Good	MacDonald	Temple
Callaway	Gorman	Mann	Ten Eyck
Campbell	Green, Iowa	Moore	Thacher
Cantor	Greene, Mass.	Morgan, Okla.	Thompson, Okla.
Carew	Greene, Vt.	Morrison	Thomson, Ill.
Carr	Gregg	Moss, Ind.	Towner
Carter	Hamilton, N. Y.	Murray, Mass.	Vollmer
Chandler, N. Y.	Hayes	Murray, Okla.	Wallin
Church	Helgesen	Neeley, Kans.	Walsh
Clancy	Helvering	Norton	Walters
Connelly, Kans.	Hinebaugh	O'Brien	Weaver
Copley	Houston	O'Leary	Whitacre
Cox	Hulings	Paige, Mass.	Witherspoon
Cramton	Humphrey, Wash.	Parker	Young, N. Dak.
Crosser	Johnson, Utah	Patton, Pa.	
Cullop	Johnson, Wash.	Payne	
Danforth	Keating	Plumley	

ANSWERED "PRESENT"—5.

Gill	Sparkman	Underhill	Woods
Glass			

NOT VOTING—109.

Aiken	Gerry	Korbly	Scully
Anthony	Gillett	L'Engle	Seldomridge
Austin	Graham, Ill.	Lever	Sells
Bartholdt	Graham, Pa.	Levy	Shreve
Bartlett	Griest	Lewis, Md.	Slemp
Bell, Ga.	Griffin	Lewis, Pa.	Smith, Md.
Brown, N. Y.	Guernsey	Lindquist	Smith, N. Y.
Browning	Hamill	Loft	Steenerson
Burgess	Hamlin	McGillicuddy	Stout
Burke, Pa.	Harris	Mahan	Stringer
Byrnes, S. C.	Harrison	Maher	Sutherland
Calder	Hayden	Manahan	Switzer
Carlin	Helm	Martin	Tavenner
Connolly, Iowa	Hensley	Merritt	Taylor, N. Y.
Conry	Hill	Metz	Townsend
Crisp	Hinds	Moss, W. Va.	Treadway
Curry	Hobson	Murdock	Tuttle
Doughton	Hoxworth	Nelson	Vare
Elder	Hughes, W. Va.	Ogiesby	Volstead
Estopinal	Humphreys, Miss.	O'Shaunessy	Watkins
Fairchild	Jones	Palmer	Webb
Faison	Kahn	Patten, N. Y.	Whaley
Fess	Kelley, Mich.	Peters	Wilson, N. Y.
Finley	Kent	Peterson	Winslow
Floyd, Ark.	Key, Ohio	Powers	Woodruff
Gallagher	Kiess, Pa.	Reilly, Conn.	
Gardner	Kindel	Rothermel	
George	Knowland, J. R.	Sabath	

So the motion of Mr. HOWARD was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. AIKEN with Mr. SELLS.

Mr. CONNOLLY of Iowa with Mr. MERRITT.

Mr. UNDERHILL with Mr. STEENERSON.

Mr. WATKINS with Mr. VARE.
Mr. BARTLETT with Mr. ANTHONY.
Mr. ELDER with Mr. WINSLOW.
Mr. BELL of Georgia with Mr. CALDER.
Mr. MCGILLICUDDY with Mr. GUERNSEY.
Mr. SABATH with Mr. SWITZER.
Mr. GRAHAM of Illinois with Mr. KAHN.
Mr. BROWN of New York with Mr. AUSTIN.
Mr. SCULLY with Mr. BROWNING.
Mr. BURGESS with Mr. BARTHOLDT.
Mr. BYRNES of South Carolina with Mr. CURRY.
Mr. CARLIN with Mr. BURKE of Pennsylvania.
Mr. CONRY with Mr. FAIRCHILD.
Mr. DOUGHTON with Mr. FESS.
Mr. ESTOPINAL with Mr. GILLETT.
Mr. FINLEY with Mr. GRAHAM of Pennsylvania.
Mr. GALLAGHER with Mr. HINDS.
Mr. GLASS with Mr. SLEMP.
Mr. HAMLIN with Mr. GRIEST.
Mr. HARRISON with Mr. KELLEY of Michigan.
Mr. HAYDEN with Mr. HUGHES of West Virginia.
Mr. HELM with Mr. KIESS of Pennsylvania.
Mr. HENSLEY with Mr. J. R. KNOWLAND.
Mr. HUMPHREYS of Mississippi with Mr. MANAHAN.
Mr. KEY of Ohio with Mr. LEWIS of Pennsylvania.
Mr. LEVER with Mr. MOSS of West Virginia.
Mr. PALMER with Mr. MARTIN.
Mr. PATTEN of New York with Mr. LINDQUIST.
Mr. REILLY of Connecticut with Mr. NELSON.
Mr. SMITH of Maryland with Mr. POWERS.
Mr. SPARKMAN with Mr. PETERS.
Mr. TAVENNER with Mr. SHREVE.
Mr. TUTTLE with Mr. SUTHERLAND.
Mr. TOWNSEND with Mr. WOODRUFF.
Mr. WEBB with Mr. VOLSTEAD.
Mr. WHALEY with Mr. TREADWAY.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will unlock the doors.

Accordingly the House resolved itself into the Committee of the Whole House, with Mr. RAINEY in the chair.

The CHAIRMAN. The House is in Committee of the Whole for the consideration of bills on the Private Calendar reported from the Committee on Military Affairs. The Clerk will report the first bill.

CAPT. HAROLD L. JACKSON, RETIRED.

The first bill on the Private Calendar reported from the Committee on Military Affairs was the bill (H. R. 4492) to restore Capt. Harold L. Jackson, retired, to the active list of the Army.

The Clerk read the title of the bill.

Mr. MANN. Mr. Chairman, that bill is not in order under the rule. Bills to remove charges of desertion are the only bills on the calendar which are now in order, and I think the first bill of that kind is Calendar No. 385.

The CHAIRMAN. The Chair knows no way by which the Clerk can tell what bill is in order until he reads the bill. The title does not show what a bill is.

Mr. MANN. The title of this bill shows what it is. I have no objection to the bill being read.

FIRST LIEUT. THOMAS J. LEARY.

The next bill on the Private Calendar reported from the Committee on Military Affairs was the bill (H. R. 3960) to correct the lineal and relative rank of First Lieut. Thomas J. Leary, Medical Corps, United States Army.

The Clerk read the title of the bill.

The CHAIRMAN. This bill does not appear to be in order. The Clerk will report the next bill.

STEPHEN MORRIS BARLOW.

The next bill on the Private Calendar reported from the Committee on Military Affairs was the bill (H. R. 9536) for the relief of Stephen Morris Barlow.

The Clerk read the title of the bill.

The CHAIRMAN. This bill does not appear to be in order.

Mr. HOWARD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOWARD. Is there no method by which the House can determine what bills are in order under the rule without going through the entire calendar? It occurs to me that it is a useless consumption of time to read all of these bills. It seems that there ought to be some method by which we can determine whether these bills are in order.

The CHAIRMAN. If the chairman of the Committee on Military Affairs knows what bills are in order, the Chair will be glad to be advised. Otherwise the Chair knows of no way to determine it until the bills are read, at least by title.

Mr. MANN. The proper method would be for the gentleman from Georgia [Mr. HOWARD], a member of the Committee on Military Affairs, performing his function, to call attention to the bills which are in order.

Mr. HOWARD. I would be glad to do so, but I did not want to arrogate to myself authority that I did not have under the rule.

The CHAIRMAN. The Chair will be glad to have the gentleman from Georgia suggest what bills are in order.

Mr. HOWARD. I can tell the Chair what bills are not in order, but I am not familiar with those that are in order.

The CHAIRMAN. Unless the gentleman from Georgia or some other gentleman will suggest to the Chair the first bill in order, the Clerk will report the next bill.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. SHERLEY having taken the chair as Speaker pro tempore, a message, in writing, from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MAJ. GEORGE A. ARMES, RETIRED.

The committee resumed its session.

The next bill on the Private Calendar reported from the Committee on Military Affairs was the bill (H. R. 15301) authorizing the appointment of Maj. George A. Armes, retired, to the rank and grade of brigadier general on the retired list of the Army without increase of pay.

The Clerk read the title of the bill.

Mr. HOWARD. Mr. Chairman, I make the point of order that that bill is not in order under the rule.

The CHAIRMAN. The point of order is sustained. The Clerk will report the next bill.

CHARLES A. MEYER.

The next business on the Private Calendar reported from the Committee on Military Affairs was the joint resolution (H. J. Res. 237) to authorize the appointment of Charles A. Meyer as a cadet in the United States Military Academy.

The Clerk read the title of the joint resolution.

Mr. HOWARD. Mr. Chairman, I make the point of order that that is not in order under the rule.

The CHAIRMAN. The point of order is sustained. The Clerk will report the next bill.

CAPT. FRANK E. EVANS.

The Clerk read the title of the bill (H. R. 16514) to transfer Capt. Frank E. Evans from the retired to the active list of the Marine Corps.

Mr. HOWARD. Mr. Chairman, I make the point of order that that bill is not in order under the rule.

The CHAIRMAN. The point of order is sustained. The Clerk will report the next bill.

LIEUT. COL. CONSTANTINE MARRAST PERKINS.

The Clerk read the title of the bill (S. 5148) for the reinstatement of Lieut. Col. Constantine Marrast Perkins to the active list of the Marine Corps.

Mr. HOWARD. I make the same point of order, Mr. Chairman.

Mr. STAFFORD. No one can tell from the title. That bill might be in order.

The CHAIRMAN. The point of order is sustained. The Clerk will report the next bill.

CAPT. ARMISTEAD RUST.

The Clerk read the title of the bill (H. R. 2319) to transfer Capt. Armistead Rust from the retired to the active list of the United States Navy.

Mr. HOWARD. I make the point of order that that bill is not in order.

The CHAIRMAN. The point of order is sustained. The Clerk will report the next bill.

CHARLES B. GASKILL.

The Clerk read the title of the bill (H. R. 13329) to place the name of Charles B. Gaskill on the unlimited retired list of the Army.

Mr. HOWARD. Mr. Chairman, I make the point of order that that bill is not in order, and I ask unanimous consent to take up for consideration the first bill on the calendar that would be in order under the rule, which is Private Calendar No. 385. That is a desertion bill.

The CHAIRMAN. The Chair sustains the point of order. The gentleman from Georgia asks unanimous consent to take up Calendar No. 385.

Mr. MANN. How about Calendar No. 322?

Mr. HOWARD. I understand that No. 322 is not a desertion bill.

Mr. BUTLER. How about Calendar No. 321?

Mr. HOWARD. The chairman of the subcommittee having these matters in charge says that it is not a desertion bill, that Calendar No. 385 is a desertion bill, and is the first bill on the Private Calendar that is in order.

Mr. MANN. I tried to tell the gentleman that some time ago.

Mr. HOWARD. I did not hear the gentleman.

Mr. SLAYDEN. Mr. Chairman, I would like to ask the gentleman from Georgia a question about this bill.

Mr. McKELLAR. Under the rule, Mr. Chairman, as I understand it, this bill in relation to Jacob M. Cooper is a desertion case, and I do not think it requires unanimous consent to take it up.

The CHAIRMAN. The Chair understands that the first case in order on the calendar is Calendar No. 385, and that it does not require unanimous consent. The Clerk will report the bill.

Mr. SLAYDEN. Mr. Chairman, I want to ask the gentleman from Tennessee a question about this bill.

Mr. McKELLAR. Which bill?

The CHAIRMAN. Let the Clerk first report the bill.

The Clerk read as follows:

An act (S. 754) for the relief of Jacob M. Cooper.

Be it enacted, etc., That in the administration of the pension laws and the laws governing the National Home for Disabled Volunteer Soldiers, or any branch thereof, Jacob M. Cooper, now a resident of Iowa, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private in Company C, Twenty-second Regiment United States Infantry, July 18, 1868: *Provided*, That no pension shall accrue prior to the passage of this act.

Mr. MANN. Mr. Chairman, I reserve a point of order on the bill. It is not in order.

The CHAIRMAN. The Chair will recognize the gentleman from Georgia.

Mr. HOWARD. Mr. Chairman, the gentleman from Tennessee [Mr. McKELLAR] reported this bill.

The CHAIRMAN. The Chair will recognize the gentleman from Tennessee [Mr. McKELLAR].

Mr. McKELLAR. Mr. Chairman, it strikes me that this bill is in order. It is a Senate bill, and has been reported by the Committee on Military Affairs.

Mr. MANN. Mr. Chairman, I will withdraw the point of order.

Mr. McKELLAR. Does the gentleman from Illinois want to ask any questions?

Mr. MANN. No; I want to discuss it. The bill is not in order, as a matter of fact.

Mr. McKELLAR. Mr. Chairman, this is a bill for the relief of Jacob M. Cooper. It has been passed by the Senate, and the facts are as reported by the War Department, which I will read:

It is shown by the records that Jacob M. Cooper enlisted November 29, 1865, to serve three years, giving his age as 18 years; that he was assigned to Company H, Second Battalion, Thirteenth Infantry, which, in December, 1866, became the Twenty-second Infantry; that he joined the company December 10, 1865; that he was transferred, as a private, to the regimental band, Twenty-second Infantry, December 19, 1867, and thence to Company C, same regiment, March 25, 1868.

Mr. STAFFORD. Can not the gentleman give us a synopsis of the report?

Mr. McKELLAR. I can give it quicker in the manner I am giving it. I want to say to gentlemen that as to these facts the committee passes on a great many of these cases, and it is absolutely impossible for any man to carry all the facts and the dates as to each case in his mind. I do not propose to do it. I have carefully prepared a report upon this case, from which I am reading, and the gentleman can read it also. There are facts and dates in this report which no man can carry in his mind without a reference to the report.

It is further shown by the records that while the soldier was serving in the last-named organization his mother made an affidavit to the effect that he was born September 5, 1850; that he enlisted in the Army without her consent; and that she desired to have him discharged from the military service of the United States.

Mr. HOWARD. Mr. Chairman, if the gentleman will permit me, I make the point of order that this bill, under the rule, is not a charge of desertion, because the man was dishonorably discharged.

The CHAIRMAN. The Chair thinks the point of order made by the gentleman from Georgia comes too late.

Mr. HOWARD. Mr. Chairman, I do not think the advocate of the bill would object.

Mr. McKELLAR. Yes; I think after having gone into it we ought to pass on the bill.

Mr. HOWARD. I make the further point of order that the written rule of the House states unequivocally that a certain class of bills shall have preference. Now, as soon as it was ascertained that this was not in that class the point of order was made. The reading of the bill shows that it is not a bill which has preference under the rule.

The CHAIRMAN. The difficulty with the position of the gentleman from Georgia is that we have proceeded to debate the bill for a considerable time and the Chair thinks that the point of order comes too late.

Mr. McKELLAR. Upon an investigation of the matter, an order was issued from the War Department, dated June 10, 1868, in which directions were given that the soldier be discharged the service of the United States upon receipt of the order at the place where he was then serving, and the order recited specifically that he was entitled to be discharged only under the provisions of paragraph 1371, Revised Army Regulations of 1863, which reads as follows:

Every enlisted man discharged as a minor, or for other cause involving fraud on his part in the enlistment or discharge by the civil authorities, shall forfeit all pay and allowances due at the time of the discharge and shall not receive any final statements.

The order of June 10, 1868, was duly carried into execution, and the soldier discharged July 19, 1868, in accordance with the terms thereof.

Now, Mr. Chairman, this bill was favorably reported after it had passed the Senate. This man was not dishonorably discharged from the service. As a matter of fact, he has an honorable discharge, but the War Department has put a construction on it that it was not entitled to. The War Department has construed the situation that because the department agreed to a separation from the service after the soldier had served in the Army two years and eight months, that because he was separated in that particular manner, by his own consent and the consent of the department, he was dishonorably discharged from the service, and I do not think that is a fair construction to put upon it.

Mr. SLAYDEN. Will the gentleman yield?

Mr. McKELLAR. Certainly.

Mr. SLAYDEN. Mr. Chairman, I take a special interest in bills of this class.

Mr. McKELLAR. I know the gentleman does.

Mr. SLAYDEN. But not with the same solicitude that my friends have who seek to put unworthy men on the pension roll. I think the gentleman from Tennessee in his statement just now is in error, because this man was discharged under the law, according to the report that the gentleman himself has just read. The regulation says:

Every enlisted man discharged as a minor, or for other cause involving fraud on his part in the enlistment or discharge by the civil authorities, shall forfeit all pay and allowances due at the time of the discharge and shall not receive any final statements.

Mr. McKELLAR. The gentleman will admit that under the wording of that law this man has not been dishonorably discharged.

Mr. SLAYDEN. The gentleman from Tennessee says that he was discharged because of no fault of his own. The young man evidently swore to a falsehood when he enlisted.

Mr. McKELLAR. That is entirely true.

Mr. SLAYDEN. That was his fault.

Mr. McKELLAR. That was his fault, and the committee may be wrong to that extent. But the gentleman is wrong in the other proposition, and that is this: That under the law this man was not dishonorably discharged, and the War Department has no right, in the opinion of the committee, to dishonorably discharge him when he ought to be entitled to all benefits of an honorable discharge.

Mr. SLAYDEN. Will the gentleman permit another question?

Mr. McKELLAR. Certainly.

Mr. SLAYDEN. Is a soldier who is discharged because he entered by fraud, which fraud was the taking of a false oath, entitled to an honorable discharge?

Mr. McKELLAR. I will say this to the gentleman, that I know cases where boys have gone into the Army under a false statement as to their age, where they made just as honorable soldiers as ever fought for their country, and they ought to have an honorable discharge. Many of them have it now.

Mr. SLAYDEN. The gentleman knows that there were no extraordinary conditions at the time of this enlistment. The war was over. His service began——

Mr. McKELLAR. Just before the close of the war. The war did not officially close till 1866.

Mr. SLAYDEN. Oh, no; just after the war. His enlistment began in November, 1865, according to this statement, and my recollection is that the Confederacy collapsed in April, 1865, so that it was some months after the war was over.

Mr. McKELLAR. I do not recall the date.

Mr. SLAYDEN. He performed no specially heroic service, I fancy, for the Government; but he went into it on a false statement as to his age, and he got out because his mother entered that plea and had him discharged as a minor.

Mr. GOULDEN. How old was this soldier at the time of his enlistment?

Mr. McKELLAR. About 18 years.

Mr. GOULDEN. The gentleman knows, as do many others, that it was no uncommon thing during the Civil War for young men—boys, in fact—to volunteer and make misstatements about their age, and I think it never ought to be held against them. It was a patriotic mistake, and should be rewarded.

Mr. McKELLAR. Mr. Chairman, I will say to the gentleman that they did it on both sides of that conflict, and those gentlemen who did it, who are still living, whether Confederate or Federal, now point back to their records with the greatest pride for having done that very thing.

Mr. GREENE of Vermont. Is it not very clear in this case that this young man was not actuated by any patriotic purpose to serve his country in time of war, because the war had been over for about six months?

Mr. McKELLAR. He went into the Army of the United States for any war.

Mr. GREENE of Vermont. Oh, no. What I am getting at is this——

Mr. McKELLAR. Whenever a man enlists in the Army he enters the service of his country, and it is either for a patriotic purpose or for the purpose of getting money.

Mr. GREENE of Vermont. The gentleman would not hold that an enlistment in time of peace, if it were fraudulently made, should have thrown about it afterwards any such excusing or condoning circumstance as might be easily suggested from a patriotic spirit aroused in the excitement of war time.

Mr. McKELLAR. But the gentleman, of course, knows that the law provides what the penalty is for making that kind of enlistment. It is to forfeit his pay, and it is not to be dishonorably discharged. The law does not require that. When the War Department ruled that way, under the law of 1863, they made an error, and that is all there is to it.

Mr. GREENE of Vermont. It is practically a discharge without honor, is it not?

Mr. McKELLAR. No. They construe it to be a discharge without honor; but, as a matter of fact, it is not a discharge without honor, in my judgment, or I would not have reported this bill.

Mr. GREENE of Vermont. And they have construed it as a discharge without honor for half a century, and every soldier who enlists in the Army to-day knows that if he gets in by fraud, and then gets out, he will be discharged without honor, and if we do not hold to the law somewhere, we will be letting all such people get in and out at any time at pleasure.

Mr. McKELLAR. Mr. Chairman, I yield now to the gentleman from Georgia [Mr. ADAMSON].

Mr. ADAMSON. Mr. Chairman, I call the attention of the House to the following letter from Mr. C. S. Barrett, president of the National Farmers' Union:

"As national president of the farmers' union, I feel it my imperative duty, in the presence of a great crisis, to give to the public an expression, not only of my own opinion, but that of the great national convention of the farmers' union which has just adjourned its annual convention, held at Fort Worth, Tex.

"The sorrowful and destructive war in Europe has had, in a business sense, a most disastrous effect upon the producers of the United States. We are but at the beginning of that war. No living man can safely predict how long it will last, and therefore none of us can foresee just how soon this unintentional embargo upon our foreign trade will continue. Naturally the destruction in Europe will make a demand for our superfluous foodstuffs just as soon as shipping facilities can be provided for getting these foodstuffs to the hungry millions of Europe.

"With our great staple—cotton—the situation is different. Europe takes an average of 60 per cent of the cotton crop. The demand from Europe has absolutely ceased, with no immediate prospect of a renewal of that demand. It is possible that England may take a reduced amount, but it is very certain that the amount which England can use, when engaged in a life and death struggle, will be greatly reduced.

"As I see it, and this is also the opinion of my colleagues, probably 50 per cent of the cotton crop will be unsalable during the present cotton season at any price whatsoever, and this will mean that the other half will be sold at a price far below the cost of production.

"A GRAVE SITUATION.

"I have never been a pessimist—my temperament rather leading me to the opposite view—but we are confronted to-day with a situation so grave that it would be worse than criminal for me to minimize this situation or to fail in setting it forth plainly.

"Numerous voluntary efforts are being made hastily by many of our splendid citizens, who have the best of intentions and who want to relieve the situation. These efforts, however well meaning and however worthy of our regard, will of necessity fail. One and all of them, when narrowed down, means that the people of the cotton belt must, out of their own resources, invest at least $400,000,000 in cotton with the prospect of holding it one year. While there are a large number of people in the cotton belt who could buy and hold some cotton one year as an inactive investment, the mere statement of the fact, which is true, that it will require $400,000,000 proves the utter impossibility of the cotton belt, out of its own resources, putting this immense sum of money into an inactive investment.

"Since 1873 we have had several panics in this country. In each case the financial equilibrium has been chiefly restored by our exports of cotton, which established our foreign credit and brought to us immense stores of gold. It is by far the largest single item in our foreign trade. It is, indeed, our main reliance for keeping us in a healthy financial condition, and from becoming too deeply indebted to other nations. It is the rock upon which rests all the prosperity of one-third of our country and nearly one-third of our population.

"TIME FOR DEEDS—NOT WORDS.

"All men are fond of recognizing in speech the service of the farmer who clothes and feeds humanity, but the time has now come when this friendly expression must be concreted into the deed. It is absolutely true that the situation is so urgent and the sum needed so great that no other power in this country, except the Government, can get adequate action quickly enough to save the farmers, who are losing every day millions of dollars.

"In the strong interdependence which exists between all classes the farmer, when he goes to destruction, will not go alone. The merchant and the country banker, the doctor and the fertilizer man, to all of whom he owes money, will share his fortunes. The wholesaler and the manufacturer and the big banker, to whom the country merchants and the country bankers owe money, will share his fortunes. If the cataclysm must come, it is not going to be merely a farmers' cataclysm.

"If the farmer had been to blame for this situation by his neglect of sound economic principles and his determination to raise more stuff that the world needs he would deserve no sympathy. But this he has not done. For several years past the world has taken our entire supply of cotton at a fair price, and the present crop is only normal. But for the unforeseen complications brought about by the European war the farmer would have obtained his usual fair price and the country would have prospered.

"The tobacco farmer is in no better condition than the cotton farmer. Indeed, some say that his situation is worse, if that be possible. This brings us to the one practical remedy. The strength and credit of the people's Government must be utilized for the protection of one-third of the people who are facing the destruction of their material interests.

"CONGRESS MUST ACT.

"In such an emergency, if the Congress of our country is not willing to use the governmental power for the salvation of the people, there is something radically wrong with the Congress.

"Bear in mind that this cotton crop is intrinsically worth at least the 12½ cents per pound which it has averaged for the last few years, for it has no substitute on earth. All the linen, all the wool, all the silk goods on earth would not clothe one-half of the people. Cotton is the mainstay of the world when it comes to clothing. For all food products one could find a substitute. For cotten there is no substitute.

"Governmental help, therefore, would not mean that Government was giving anything to anybody, but merely that Government was tiding over these people in an emergency and would get its money back with interest. Government has helped a great many other interests, without getting its money back. It has helped the manufacturers with a protective tariff for many years. It has helped the bankers with favorable legislation for many years. It has helped the railroads by giving them untold millions of acres of land. When this war broke out and there were two or three hundred thousand Americans in Europe, without a moment's delay it found ships and gold to send to Europe and bring them back, without any regard as to whether the money was ever repaid or not. It has spent $400,000,000 to build the Panama Canal for the benefit of the world's commerce. It is about to spend $35,000,000 to build a railroad in Alaska, which has a total population of 65,000, for the development of Alaska. * * * When a good many thou-

sand Mexican soldiers, with their women, refugeed across the Rio Grande, Government interned them for many months in this country and spent a very large sum of money to keep them in comfort, which money it has not the remotest prospect of ever collecting. It has found money, apparently, for everything and everybody except the producers of the country, and the producers have heretofore asked nothing. Now they ask that their Government, which can be so liberal in every other direction, will come to their relief without risk or loss. For the first bale of cotton that our Government buys at a fair price would fix the price of the whole crop and insure our farmers safety.

"ASK NOTHING BUT JUSTICE.

"In the present situation, I and those who agree with me do not approach the Government as mendicants, but as men who have had a large share in the making of this country, whose services have been of enormous value to all the people, and we feel that we are but asking elementary justice when we ask the Government to stand by us in a crisis which is not of our making, and when we know that the Government does not risk the loss of a single penny in so doing.

"The demand is so urgent that we feel entitled to as prompt action on the part of Congress as the Congress gave when it was appropriating money and ordering out ships to bring American refugees from Europe, and these refugees, who were primarily pleasure seekers, would never have been able to take their pleasures in Europe but for the labors of the men who are now confronted with such tremendous loss.

"Representative BOB HENRY, of Texas, has introduced into the lower House of Congress a bill which will save the day. But the Congress has already plainly indicated that it will do nothing unless pressure is brought to bear upon it; and the purpose of this letter is to ask that every farmer and every true friend of the farmer who reads this will sit him down instantly and write to his Congressmen and his Senators, demanding the instant passage of this bill. If the Senators and Congressmen can be made to feel that the farmers and their friends in this country demand this action, they will get it, and until they are made to feel that way they will not move.

"I most earnestly, therefore, urge upon you the necessity of instant action if you feel, as I do, the importance of saving the business situation in this Republic.

"C. S. BARRETT,
"*National President Farmers' Union.*"

I further call the attention of the House to the following letter from Mr. W. S. Witham, together with an article from the Atlanta Constitution, to which he refers:

"ATLANTA, GA., *September 8, 1914.*

"MY DEAR SIR: Referring to the inclosed editorial from today's Atlanta Constitution I wish to say:

"First. None of the cotton States, or cotton States governors, so far as I know, have done anything to help the situation in their own immediate territory, except one governor, who called a meeting of the governors in Atlanta, which, however, has been called off for lack of cooperation.

"Washington has done nobly. Now, but two things remain for the United States Government to do if possible.

"First. Establish a foreign exchange, so that we can sell our cotton drafts, just as New York is now selling wheat drafts. How, I do not know. There is a way, and I hope you will find it. New York has tried and failed.

"Second. Get the ships ready to load with cotton and we will then have a limited foreign market.

"The Government money intended for the farmer travels by such a long, round-about, expensive, red-tape way that few, if any, farmers have received it.

"The State banks do not wish to issue money, but they do want to be distributors of the public money. The money leaves Washington and goes to a national bank at 3 per cent rate. Then it goes to a State bank at 6 per cent rate, and from the State bank it reaches the farmer at 8 per cent or more. Thus the farmer pays all of the accumulated charges and expenses which would be saved by removing at least one of the 'middle men.' The Government wants the indorsement of the national bank. The indorsement of the State bank is just as good. If the money went to the State bank at 3 per cent, they would deliver it to the farmer at not exceeding 4 or 5 per cent, covering express charges and other absolutely necessary expenses. I wish such a plan could be worked out, since the farmer is the 'real beneficiary.'

"Unless the United States Government, or the cotton States, through legislatures, can by law curtail the crop of 1915, then the banks do not want the money and will not become indorser for the Government, assuming all the risk without the protection of a curtailed crop.

"If raising the import duty on Egyptian and other foreign countries would do any good, put it through. Banks are not going to take the chance of an early closing of the war without a legal curtail of the crop.

"Yours, truly,

"W. S. WITHAM."

"TIME FOR WASHINGTON TO ACT OR TELL PEOPLE TO LOOK ELSEWHERE.

"In the face of the temporary closing of foreign cotton markets the South is facing the greatest crisis since the Civil War.

"That is not a call to pessimism, but it equally is not an invitation to apathy or futile mouthing on part of the responsible leaders of to-day.

"Apropos—

"Since the closing of the ocean lanes to merchant marine Congress, and especially the southern contingent having to do with the cotton States, has pyramided promise upon promise to the southern farmer and the southern business man.

"We have been told there was more than $150,000,000 currency available under the Vreeland-Aldrich Act for the protection of distress cotton, for the prevention of anything approaching a collapse of the southern financial structure, which still depends so largely upon cotton as its mainstay.

"Right and left the objurgation from Congress to the farmer has been, 'Don't worry. Keep cool. We'll take care of you. Don't sacrifice your cotton. It is only a question of a few days. And plans are now being rapidly perfected.'

"That cry has become stale.

"Weeks have elapsed.

"Cotton is crowding into the buying centers.

"Buying is irregular, freakish, or nonexistent.

"Worst of all is the uncertainty.

"The southern farmer and the southern business man who is so largely dependent upon the farmer do not know what to expect from Congress.

"They have been given hypodermic after hypodermic of hope and reassurance from those who sit in the seats of the mighty.

"But, so far as anything tangible is concerned, the farmer and the business man are no better off than when European and American exchanges closed summarily and they were thrown back upon their own resources.

"This is unfair. This is bad faith. And it is bad politics for those concerned in it. The farmers and business men of the South have long memories. They are not going to forget the men who made promises in a desperate emergency and then apparently sat down and twiddled their thumbs in impotency or indifference.

"There will be a substantial margin of the incoming crop that American mills, conceding even an abnormal increase in demands upon their products, will not be able to absorb.

"That margin must in some manner be protected until matters readjust themselves.

"In the meantime, and with markets closed, cotton is stagnant.

"The innumerable factors nearly and remotely affected by cotton are marking time.

"Christmas is approaching.

"The need of the South is money, actual currency, with which to meet obligations of the more imperative kind, with which to subsist, if you want the plain truth.

"And with this shadow brooding over the entire South Congress promises and promises; caucus after caucus is held first by the Senate and then by House Democrats; honeyed and stimulating phrases are handed out by the yard and by the minute—

"All without definite action.

"There seems to be plenty of Government money available for other purposes not half so urgent as that of the Nation's leading export crop in distress.

"Southern Senators and Representatives, as shown by a Constitution correspondent, are quick enough to valorize silver.

"They are ready enough to vote huge sums to bring back refugees from Europe, to take care of interned Mexicans, to get panicky Americans out of Europe.

"But when it comes to extending vital, life-blood aid to a crop upon which millions of Americans and their business fabric depends, there is either inability or outright deception. There is no alternative between these two viewpoints.

"Either Congress is able to and intends to aid southern cotton or it is unable to do so and does not intend to make an earnest effort.

"The situation offers no other interpretation.

"Either the professions of undying devotion to their farmer constituents on part of southern Congressmen are buncombe for home consumption or the statesmanship of our day is unequal to an epochal emergency.

"To which of these counts is Congress, southern Congressmen especially, going to plead?

"The plan to evangelize individuals into valorizing cotton is well enough as far as it goes, but it can not go far enough. But it merits the help of every man who is able to buy a bale of cotton, for every little counts.

"Aid, to be effectual, must come from a central source and must be general.

"Among other soothing-syrup prescriptions, we have been told that New York and Washington will cooperate in financing cotton.

"If they will cooperate, all right.

"But in the name of heaven, let something be done.

"Let us know where we stand.

"Let us know if we are to expect a life rope or indifference while the man in the water works out his own salvation.

"If cotton is to be made collateral for loans from the banks, let us know that, and quickly, and let the currency which has been so volubly promised be forwarded to the banks.

"That is the most practical solution.

"Cotton is not a cold-storage product. Age does not affect it. Cotton stored to-day is better for spinning when a year old than now.

"The world, eventually, is going to want and demand every pound of cotton the South this year produces, and at a good price.

"But the world is now in no position to buy or spin cotton.

"Until these abnormal obstacles are removed it is incumbent upon either the statesmanship of the Nation or the resourcefulness of the southern people to rise to an emergency that is not likely to recur in world history.

"If a Government, rich and powerful, is helpless at times like these, in the name of common sense, what is that Government *really* for? If it runs along smooth enough when the channel is smooth, then ships water and flounders when the channel is a trifle rough, what sort of statesmanship is driving it? If it can find relief from the Treasury for a dozen sources—for all save the crop that is the dependence of a people; if it can find money for philanthropic or pork-barrel projects, and reject what is merely an emergency loan amply secured—what are its people to think of it?

"Congress must in a few days find the answer to these questions.

"Time presses!

"The situation grows worse by the hour.

"The South is entitled to know whether the promises of Congress are empty and demagogic pretext or whether they are genuine.

"The South is entitled to know whether it can depend upon the Government for temporary aid or whether it must make other arrangements.

"It comes down to this—

"Congress is on trial, not only before the South but before the Nation.

"Its opportunity for service is unique.

"If it does not grasp that opportunity, the confession of weakness will be unique in all American history.

"We have enough talk from Washington—it is now time to act."

I do not present the bill indorsed by Mr. HENRY of Texas, referred to in Mr. Barrett's letter, because it is available to any Member who desires to secure and read it. Without indorsing or discussing all the detailed statements in these various documents, I present them to the House on account of the great importance of the subject. We are not only facing a great emergency—local, personal, and national—but we are in the very jaws of irreparable disaster. Almost all other commodities in the country, in so far as they are affected by the appalling conditions abroad, are enhanced in price. The millions of producers in Europe have laid aside the instruments of production and taken up the weapons of destruction. Having ceased to produce, their sustenance makes a greater drain upon our production; and they have to be fed, though their clothing is less important. All the metal and combustible materials, being subjected to greater demand, are also increased in price. Cotton alone, which furnishes the clothing for the world and the balance of trade for our entire people, has suddenly received a stunning blow, which has in 30 days reduced its price one-half, which, unless averted by immediate heroic remedies, will destroy the debt-paying and purchasing capacity of nine-tenths of those who produce the cotton and administer a staggering blow to the financial stability of all the commercial interests which make up the superstructure of our business and social system.

The mills in France, Germany, and Russia have ceased to operate by virtue of war conditions, and the mills in England, being unable to take and use the entire 60 or 65 per cent of our cotton crop usually exported, the immediate demand has been reduced by 60 or 65 per cent. The producers being unable to hold their crops, so much of it being distress cotton demanded instantly on their debts, and those above in the commercial scale being unable to indulge them without liberal payments on their debts, there must be a corresponding loss of 60 or 65 per cent to the producers, which would not only take away all profits, but cause the net result to fall far short of paying the expense of production.

A great many remedies are suggested in this time of spasmodic, almost hysterical discussion and suggestion, the utilization of which time does not permit. They are things which I have advocated all my life, and not only advocated, but supported by practice. One is the use of cotton for every conceivable purpose which would locate the demand at home instead of abroad. Another is the production of all supplies and necessaries as a prime consideration, making cotton a surplus crop, so that the producer would be able to hold or sell at his own volition. Another is ample construction of bonded warehouses, in which the owners of cotton may hold, insure, and control their cotton until prices justify the sale. Another is local cooperation, by which those who are able could relieve those who are not able and take and hold the distress cotton. If that were universally and promptly indulged, it would go far to help the situation.

A certain and effectual remedy would be for all banks in concert in the cotton States simultaneously to announce that they would lend money on cotton baled and insured at a minimum price, and it would not matter what the price was. If all the banks would lend money at a minimum price of 10 or 12 cents per pound, there would never be another pound sold for less. But how are you going to get the banks to agree to that? They just will not do it, and there is no way to make them do it unless the Government, in providing them with funds, shall not only authorize but also require them to do it.

Another thing that would enrich the South, and thereby enrich the entire country, would be to erect enough cotton factories in this country to spin all the cotton crop. That ought to be done; but capital must be found to do that; and that can not be done in this emergency, nor would the results materialize in time to relieve this emergency. That ought to be done; and in order to encourage capital and make the projects attractive all cotton-mill machinery, dyestuffs, and everything used in the manufacture of cotton ought to be put on the free list; but that is a matter for permanent improvement and prosperity. The present crisis demands instantaneous action, and any other relief save immediate relief will be abortive.

I have examined the Henry bill. It may not be necessary for the Government to buy the cotton outright, as therein proposed. I am not a financier, I am not on the Committee on Banking and Currency. I have such a strict regard for parliamentary discipline and decorum that I never even offer amendments to bills presented by other committees. I find it impossible, with all my industry and limited ability, to take care of the affairs referred to my own committee; but I do implore the distinguished statesmen charged with the financial legislation of the Government to give further and immediate consideration to this subject. Delay will be ruinous. Thirty days at this time, the period of cotton gathering and cotton selling and cotton sacrificing, will bankrupt a large majority of all the cotton producers in the South, with consequent appalling effect upon the other interests and industries, all of which depend on cotton. Furthermore, the balance of trade in our favor will be destroyed and we will owe the balance of the world several hundred millions of dollars instead of receiving and retaining that much of their gold on our side of the balance sheet.

The crux of the situation is this: When the Government is providing money it ought to put the money where it is needed right now. To furnish the big banks with a billion dollars at 3 per cent and let them dole it out to the little banks on short time at 6 per cent and let them dole it out to the cotton producers on short time at 8 or 9 per cent is a mockery and insult and a ruinous injury to all the South and to our whole country.

I realize that the Treasury can not deal by retail separately with each of the 13,000,000 bales of the cotton crop, but means can be devised, as suggested in the Henry bill, by which there can be collocations of large quantities of cotton; means can be devised by financial experts sitting here as legislators

to enable the Treasury to furnish to the producers of cotton money at a low rate of interest, taking as security therefor cotton tickets for insured cotton, which is the best security in the world, but three or four months' time is a delusion and a snare—it is worse than a mockery; it is cruel; it is tragic. The producers of cotton ought to be furnished the money on long enough time to enable them to profit by the readjustment of conditions which will inevitably come, probably not in three or four months, but it is said nobody knows the value of a pound of cotton. Neither does anybody know the value of a dollar; it is the most uncertain thing in the world. It has no value except as measured by the value and nature of the necessaries which it may buy. Cotton is one of the products which by the inexorable trend of unlooked for events is now reduced to a low price; but if the banks, as I stated a while ago, would in concert fix a minimum price security that would arrest the further decrease in price; or if this Government will provide that it will lend money to the producers of cotton on a basis of 10 or 12 cents per pound, and continue or extend the loans until the market goes above that price, the price would never go below the amount so recognized by the Government in such loans.

Discordant and unorganized efforts of a people distracted by the near approach of certain disaster can not relieve the situation. Doubtless a great many other men will do as I am doing, take care of a cropper's half of the cotton produced; that is what I am doing. I have notified my cropper that I shall pay him for his half of the crop and shall hold his half for him if he will raise corn, peas, wheat, and pigs next year, because up to 10 cents per pound he can hold that cotton raised this year cheaper than he can raise another crop of cotton to take its place next year, but that practice will not become general and can not on short notice.

I believe the only thing to do, and in preference to everything else we ought to stop and do that, is to provide at once to prevent our greatest national asset from going for nothing at this time and ruining the people who produced it and on whom the world must rely to produce its clothing in the future. I feel sure that it will be done in no other way than by action of the Federal Government. Piling up money in the banks or offering it through the Federal Reserve Board, as proposed, will not put the money where it is needed in time to avert disaster. If instead of saying that banks may loan money on cotton tickets for three or four months the Secretary of the Treasury were authorized to require the banks to lend emergency currency, the currency furnished by the Government to prevent panics, on time long enough at rate of interest low enough, and based on a price of cotton high enough to relieve the situation and avert impending ruin to cotton growers of the South, and to the balance of trade which makes this Republic financially independent among the nations, our duty would be done and nothing short of that on our part will discharge our obligation to the people.

Mr. McKELLAR. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. SLAYDEN].

Mr. SLAYDEN. Mr. Chairman, I desire to correct an impression at the very outset which my friend from New York [Mr. GOULDEN] seems to be laboring under, and that is that this young man enlisted during the Civil War. He enlisted on November 20, 1865, and there was just one month and one day remaining of the year 1865. The Confederacy had collapsed, as I said, in April, 1865, and as was pertinently suggested a moment ago, there can not be thrown around this enlistment any halo of heroism inspired or commanded by conditions of war. The young man enlisted under conditions that were dishonorable. He was discharged because of that fact. You may juggle with words all you please, but I do not see how that can possibly be construed into an honorable discharge; and I think that the officers in the War Department, who are familiar with the law and with the conditions surrounding enlistments such as this, who have had brought to their attention thousands of cases, are better judges of the spirit in which they should be entertained, and of the reasons which controlled the young man in getting into the Army, and certainly the reasons which are of record for his getting out.

But, Mr. Chairman, I was going to make just a few general observations on the tendency to pad the pension roll—which, God knows, is already swollen beyond all reason—by incorporating on the roll of men who did serve with honor all deserters and people of that kind.

Mr. McKELLAR. Mr. Chairman, will the gentleman yield?

Mr. SLAYDEN. Yes.

Mr. McKELLAR. Is not that a relative proposition? Does the gentleman mean to say that a man who comes here and sits here in his chair every day religiously and saves his $20 per day, and does not do much else, is entitled to more honor or more credit as a Member of this House than a man who comes to Washington and fights for the legislation that he believes is right, who does his duty by his constituents and by the House and by the country, but who is occasionally absent from his seat?

Now, that is about the way with many of these cases. I will say to the gentleman, and I will yield him more time, that I have the same sort of notion about padding the pension rolls that he has. I do not believe in this pension system, and think we have gone entirely too far along that line. I do not believe it ought to be done, but I do not think that where a man has served his country faithfully and honorably he should be kept out of a pension simply because of peccadilloes committed while in the service. Many of these soldiers whose records I have examined have made the best kind of soldiers; numbers of them have been wounded in the defense of their country and in their country's service, and simply because of an accident in the record—of being absent occasionally when the roll was called, as a lot of Members were wont to be prior to the recent order—I do not think under those circumstances that they ought to be kept out of the benefits that usually arise from an honorable discharge. Many of them were young boys at the time, as has been suggested, and I think they are entitled to fair and honest treatment, and I shall always give them that when I have to pass on their records. If the gentleman will permit me to say, holding, as I do, the same views as the gentleman has on the general subject of pensions, many of these men are very much more entitled to be on the pension rolls, who actually fought, than some of those who are now on the pension rolls for having warmed their seats by answering every roll call.

Mr. SLAYDEN. Mr. Chairman, if I have been able to keep the two thoughts of the gentleman clear in my mind, I think I can safely answer yes; but I do not think it has anything more to do with the question I am discussing than the flowers that bloom in the spring. This man committed an offense which—and if I know the meaning of the word "peccadillo," it means little sins—falls within the category of perjury when he enlisted, and I think that goes into the class of greater offenses. But I dare say that this man will have the doors of the Treasury thrown open to him, although his service was not distinguished. It was not during a period when men were severely tried, when there was great hardship and peril, but altogether after the war was over. I do not think he is entitled to any such consideration, but I dare say he will get it. But what I was going to say is this: That we are confronted right now with the necessity of enacting new tax laws, and the President has told us, and the figures put out daily by the Treasury Department establish the fact beyond doubt, that the revenues of the Government are wholly inadequate to meet its expenses. We have to tax the people more and we ought to begin to practice economy. I read an editorial in a New York paper this morning stating that instead of levying new taxes, Congress would do well to cut down the expenses of the Government. It could be done by wise and economic administration of the affairs of this Government, and we could get along——

The CHAIRMAN. The time of the gentleman has expired.

Mr. SLAYDEN. Mr. Chairman, I would like to have a couple of minutes more.

Mr. McKELLAR. I yield two minutes additional to the gentleman.

Mr. SLAYDEN. By wise and careful administration of the affairs of this Government we could get along with two or three hundred million dollars less revenue than we now employ in the affairs of the Government. [Applause.] Mr. Chairman, if we are to practice economy, now is the time to begin it, and certainly we can afford to begin, even in this small way, by closing the doors of the Treasury to unworthy soldiers who were discharged without honor. If the gentleman wants the technical difference between discharge with honor and discharge without honor, he may look in the records of his committee and find numberless instances. Certainly a man who enlisted by perjuring himself is not entitled to a discharge with honor, although he may not have been given, technically and actually, a discharge without honor. Now is the time and here is the occasion for the beginning of the practice of economy, and I hope that the Committee on Military Affairs, which has charge of bills of this class, will object and not report such bills that are usually unworthy.

Mr. McKELLAR. Will the gentleman yield?

Mr. SLAYDEN. Certainly, although my time is out.

Mr. McKELLAR. I will yield the gentleman another minute to answer the question. Does the gentleman have any idea how many Union soldiers there are now on the pension rolls who perjured themselves in making statements concerning their ages when they went into the Army?

Mr. SLAYDEN. I hope not many.

Mr. McKELLAR. There are a great many.

Mr. SLAYDEN. I do not know, but I hope not many.

Mr. McKELLAR. I am informed a very large per cent of the young men who went into the Army had to take the necessary oath in order to get there, and they are now drawing pensions from the Government. It is only in a case where the point was made——

Mr. SLAYDEN. Mr. Chairman, I insist that the gentleman is unfair in classing those men who did it in the Civil War period with those who enlisted afterwards in a spirit of adventure. [Applause.]

Mr. McKELLAR. I yield the floor now, Mr. Chairman. I reserve the balance of my time.

Mr. MANN. Mr. Chairman, I shall not detain the committee very long. I have great sympathy with any boy who makes a mistake; for that matter, for any man or woman who makes a mistake. But if there ever was a time when the people ought to understand that men in the Army are under orders, and can not do as they please, it is just now, when there is a great war in progress over in Europe.

Supposing the Germans or French or British Army now in conflict went on the theory that if a man got tired of service he could just melt away. Most people would get tired just before they went into battle. They are human beings. It is not often that a man is anxious to be killed. There may be times when he is so enthusiastic that he wants to be. But you can not maintain an army without discipline. It is true, after these many years since the Civil War, that we are rather lenient about removing charges of desertion which lie against young fellows who were in the Army and who got homesick and went home, especially if they had served in the Army for a while. When I first came into the House, we used to have a frequent recital of stories about "coffee coolers" and others to whom terms of that kind were applied, which I do not now recall——

Mr. McKELLAR. Bounty jumpers, and so on.

Mr. MANN. Yes; bounty jumpers; men who were seeking to have charges of desertion removed, and we have a number of bills reported in this Congress in behalf of men who deserted from one regiment and immediately entered the service in another regiment, or went from the Army to the Navy, where they received a bounty. In some cases they deserted the second time, and still we remove the charge of desertion.

The gentleman from Tennessee [Mr. McKELLAR], coming from one of the Southern States, and the chairman of the subcommittee of the Committee on Military Affairs dealing with this class of cases, naturally desires to be somewhat lenient and generous. I have great respect for him, for his motives and for his acts, but I sometimes think he makes a mistake in respect to some of these bills.

Here is a Senate bill now before us, not growing out of the Civil War, where a young man enlisted in the Army after the war was over—enlisted for a period of three years—served most of his time, and then got his mother to put up a plea that he was a minor, and he received a discharge from the Army—not an honorable discharge, not a discharge without honor, but a plain discharge, and he forfeited his pay and allowances. This bill proposes to give him an honorable discharge and give him his pay and the allowances that would have been due him at that time.

Well, every day young men enlist in the Army now who are under age. We have had several combats in the House here about the terms upon which minors might enlist in the Army and the Navy, and the terms upon which they might be discharged.

I am opposed myself to permitting these minors to enlist in the Army or Navy unless it is certain that they have the consent of their parents or guardians. [Applause.] The law now provides for that. When one of them enlists in the Army now he takes the oath that he is of age, or else he produces a certificate from his guardian or parents; and yet, although he takes the oath that he is of age, if you show afterwards that he made a false affidavit, he will receive his discharge now. But it is a plain discharge, not an honorable discharge.

Now, those cases arise by thousands in the course of the years. Since I have been a Member of the House I have had a great many such cases brought to my attention where minors had enlisted in the Army or the Navy without the consent of their parents, making the oath that they were of age, and then the parents afterwards called attention to the fact that the statements were incorrect and that the young men were not of age, and the authorities have to discharge them. But they are discharged without receiving an honorable discharge.

This is one of those cases. There are thousands upon thousands of them where the boys have been glad to get out of the Army, and it has not been intended to pay them a pension. They knew what the situation was. Their parents knew what the situation was, that if they were discharged on account of minority they would receive a plain discharge, and not an honorable discharge, and that they would never be entitled to a pension.

This case arose after the Civil War. The boy concerned enlisted in the latter part of November, 1865, and was not discharged until more than two years thereafter. He was discharged in 1868, and he received a plain discharge and forfeited pay and allowances. Now, what excuse can be given, except it be made a pure case of charity and generosity, for saying now that he received an honorable discharge? He did not. He was not entitled to an honorable discharge. He preferred to get out of the Army. His mother waited until he had served, I think, two years and eight months before she asked to have him discharged.

Mr. McKELLAR. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes; I yield.

Mr. McKELLAR. Does he gentleman understand that this soldier gets a pension under this bill?

Mr. MANN. I do not understand that he gets a pension under this bill, but the purpose of the bill is to permit him to receive a pension.

Mr. McKELLAR. If a law should be passed allowing soldiers of that class to receive it, yes. The gentleman has mentioned the fact of the cost at this particular time, and so did the gentleman from Texas [Mr. SLAYDEN]. As I understand it, no pension goes to this ex-soldier under the terms of this bill. It is only to correct his record and give him an honorable discharge.

Mr. LANGLEY. Mr. Chairman, if the gentleman will pardon me, I wish to say that if it should be proved that he contracted disabilities in the service he would be pensionable under the general law.

Mr. MANN. Let us see. The gentleman from Tennessee [Mr. McKELLAR] says the purpose of this bill is not to give this man a pension. The bill says—

Be it enacted, etc., That in the administration of the pension laws and the laws governing the National Home for Disabled Volunteer Soldiers, or any branch thereof, Jacob M. Cooper, now a resident of Iowa, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private in Company C, Twenty-second Regiment United States Infantry, July 18, 1868: *Provided*, That no pension shall accrue prior to the passage of this act.

Now, if the purpose is not to get a pension, what is the purpose?

Mr. McKELLAR. As I stated to the gentleman, my understanding of the law is now that this man would not be on a pensionable status even if he had an honorable discharge. But the purpose of this bill on its face—what the purpose is behind it I do not know—is to put this man on the basis of having had an honorable discharge from the Army, to which our committee thinks he is entitled. It does not give him a pension at all.

Mr. MANN. The purpose of the bill is to give him an honorable discharge, so far as the administration of the pension laws is concerned, that he shall be considered to have been honorably discharged so far as the pension laws are concerned.

Mr. McKELLAR. I will call the gentleman's attention to this further fact. We have had it up and discussed it before, and I know that the gentleman remembers it, that our committee had a form of a bill which was furnished to us by the War Department. The War Department say that even if Congress directs them to change the record, they can not do it. This is the form of the bill that was given to the committee by the department, and it has been approved by our committee, and that is why it takes this form. Now, I do not know the ultimate object of the bill.

Mr. MANN. Let us see. Here the gentleman from Tennessee [Mr. McKELLAR] now says that the purpose of the bill is not what it says it is, but something else. We did pass bills to remove charges of desertion when I first came to Congress, and the purpose of removing the charge of desertion was that the man might make an application for a pension. We removed the charge of desertion and granted an honorable discharge. The pension laws require that an applicant must have an honorable discharge from each service before he can get a pension. Afterwards the President vetoed such bills; but the purpose of the bills all the time has been to grant a pension. If that is not the purpose of this bill, what is it?

Mr. GARD. Is not the purpose of this bill to place the applicant in a pensionable status, or at least to allow him to enter a soldiers' home in time of distress or need?

Mr. MANN. The gentleman from Tennessee [Mr. MCKELLAR] says that is not the purpose of the bill. I understood the gentleman from Kentucky [Mr. LANGLEY] to say that was not the purpose of the bill.

Mr. LANGLEY. How is that?

Mr. MANN. It is said that it is not the purpose to allow the man to get a pension. In fact I doubt whether he could get a pension under the law. But what is the purpose of the bill? Is it to get him back pay?

Mr. SMITH of Idaho. I think the purpose of the bill is to admit him to a soldiers' home, because he could not get a pension unless he proved that he incurred disability through his service.

Mr. HOWARD. Will the gentleman from Illinois please give his opinion as to what is the effect of this bill?

Mr. MANN. The only effect that I can see at present is that it is receiving the attention of a small number of Members of the House.

Mr. HOWARD. In the event that there were a large number here, what would be the effect of it? Would it not be to put him in a pensionable status?

Mr. MANN. If it does anything at all, it gives him a pensionable status. If it does not do anything, what is the bill for? The man is not entitled to an honorable discharge.

Mr. HAY. Can not the gentleman conceive of a case where a man has been dishonorably discharged from the Army, or discharged without receiving an honorable discharge, desiring to have his record corrected, in order that that stigma may be taken from him, without any desire to receive any pension?

Mr. MANN. I can conceive of such a case.

Mr. HAY. I do not know whether this is one of these cases, but there are such cases.

Mr. MANN. I have no doubt such cases exist.

Mr. MCKELLAR. I do not recall whether this is the case that the gentleman from California [Mr. STEPHENS] is interested in or not, but he has such a case. There are so many of them that I can not keep track of them.

Mr. MANN. I think this is not the one.

Mr. MCKELLAR. The gentleman from California [Mr. STEPHENS] has such a bill which has been reported, and in that case the former soldier wrote in his own handwriting that he wanted to exclude the possibility of getting a pension under the bill.

Mr. MANN. Yes; but I am discussing this bill now. I will discuss the other bill when it is reached, if I feel like it and have the opportunity.

If the purpose of this bill is to show that the man has received an honorable discharge that is not true. He did not receive an honorable discharge. Under the law, he was not entitled to an honorable discharge. Now, in some cases we get around that by saying that in the administration of the pension laws he shall be considered as having an honorable discharge. That does not give him an honorable discharge. He does not receive on the books of the War Department the status of a man who has an honorable discharge; but we have the power to pension anybody we please, and if we say that in the application of the pension laws a man shall be considered as having an honorable discharge, he can get his pension; but the charge still stands against him on the book. In this case gentlemen say it does not give him a pension, that he would not be entitled to a pension. Well, it does not change the status on the books of the War Department. There he received a discharge which was not an honorable discharge. What object have we in lying about it? Why should we say that this man has received an honorable discharge, when thousands upon thousands of young men in the country who have gotten homesick and gone home because they were minors still stand on the books as having been discharged without an honorable discharge?

Mr. BARTON. Will the gentleman yield for a question, for information?

Mr. MANN. I yield to the gentleman.

Mr. BARTON. If the Congress should direct the War Department to change their record and give a man an honorable discharge, would they be compelled to do it?

Mr. MANN. If Congress should direct the War Department to change the record, I think the War Department would change the record.

Mr. BARTON. That is what I thought.

Mr. MANN. If Congress should pass a law directing any official of the Government to falsify history, he would probably falsify it, but it would not change the historical event in the slightest degree.

Mr. MCKELLAR. May I suggest to the gentleman that the President has for many years uniformly vetoed all bills that undertook to change such records?

Mr. MANN. I understand that; but the gentleman from Nebraska [Mr. BARTON] asked me what would happen if Congress should pass a law directing the War Department to change a record. Of course if the two Houses should pass such a bill, the President would probably veto it. But if Congress should pass a law, probably the War Department would make a notation to that effect.

Mr. BURKE of South Dakota. Will the gentleman from Illinois yield?

Mr. MANN. I yield to the gentleman.

Mr. BURKE of South Dakota. Suppose a boy of 16 enlisted, served two years and eight months, and was discharged as this soldier was discharged. Suppose that during that service he did sustain a very serious disability while in line of duty; would the gentleman now say that he should not be given a pensionable status at this time, 50 years afterwards?

Mr. MANN. But he has a pensionable status in that event. The law in regard to honorable discharge only refers to service pensions. Anyone who receives an injury in the war from which he afterwards suffers is entitled to a pension regardless of whether he was a deserter or not. But when we grant a service pension simply because a man served in the Army, the law provides that he must have an honorable discharge.

Mr. HAY. Will the gentleman yield?

Mr. MANN. Yes.

Mr. HAY. I think the gentleman is mistaken. Does the gentleman mean to say that if a man is wounded he is entitled to a pension whether he got an honorable discharge or not?

Mr. MANN. That is the law; that is correct.

Mr. MCKELLAR. I think the gentleman is mistaken. We have before the subcommittee some 1,500 bills, and I know of my own personal knowledge from having examined them that there are over 100 where the soldier was wounded in the Army and yet has not got a pension.

Mr. MANN. We have a bill on the calendar reported by the gentleman's committee which we will reach in a few minutes, where a man is now drawing a pension for a wound received in the Army, and you propose to give him an honorable discharge so that he can draw a service pension. I do not pretend to speak with any great knowledge or precise knowledge of the pension laws, but I am confident that a man wounded in the Army so that he afterwards suffers from it is entitled to receive a pension for the actual injury regardless of how his discharge reads.

Mr. LANGLEY. I think the gentleman from Tennessee fails to distinguish between a dishonorable discharge and a desertion. If a charge of desertion stands against the soldier in his final service, he can not be pensioned because he has never been separated from the service. But if he incurs a pensionable disability in the line of duty, even if dishonorably discharged, he can get a pension under existing law.

Mr. COX. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. COX. I want to go further than the gentleman from Kentucky goes. I think the gentleman from Illinois has stated the law correctly. If a man was in the war and had a dishonorable discharge and he contracted disability while in the war while his honorable service was operating, and later there is a charge of desertion, he can, under the general law, get a pension for disability incurred by himself during his service. I know that is true, because I had one case of that kind before the Pension Bureau.

Mr. MCKELLAR. I think the gentleman from Indiana is mistaken about it, because under the Sherwood pension bill there have been many cases of men who are receiving a pension——

Mr. MANN. That relates to service pensions.

Mr. MCKELLAR. Many cases have arisen where they have been drawing pensions. Men who have been wounded have been drawing pensions, and the Pension Department has cut them off because of the fact that they were dishonorably discharged.

Mr. MANN. They have cut them off from receiving a service pension.

Mr. BURKE of South Dakota. If the gentleman will further yield, I understand from the gentleman's answer to the question I propounded before that if this man had sustained a disability during his service he would be entitled to a pension. Suppose we pass this bill, under what law can he draw a pension?

Mr. MANN. I do not know whether he can get a pension or not; but what is the object of the bill if that is not the object?

Mr. BURKE of South Dakota. It seems to me that the gentleman from Idaho [Mr. SMITH] stated what the object is—to make the man eligible to get into a soldiers' home.

Mr. MANN. Then why does it say "under the administration of the pension laws"?

Mr. BURKE of South Dakota. Simply because, as the gentleman from Tennessee stated, evidently they are following a form.

Mr. MANN. Oh, no; the gentleman from Tennessee did not follow the form. This bill does not follow the ordinary form that is used. There is no excuse for passing a bill of this kind unless Congress wants to be bothered with cases that arise from day to day where a young man who has enlisted asks to be discharged because of minority, or because he is under 18 years of age, and they grant that discharge. It is not an honorable discharge. If Members desire to bring upon themselves thousands of private bills of that character, very well; or if you desire to change the law so that a man can enlist in the Army and then leave it when he wants to, why, change it; but do not try to pass a bill on the theory that it occurred 60 years ago, and is only a Civil War case. It is no different from the ordinary case arising every day.

Mr. BRUMBAUGH. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. BRUMBAUGH. If this bill passes, it will give the soldier a pensionable status?

Mr. MANN. If this bill passes, it will give to this soldier the status of an honorable discharge, so far as the pension laws are concerned.

Mr. BRUMBAUGH. That would give him a pensionable status.

Mr. MANN. I do not know whether it would give him a pensionable status or not. He was not a volunteer; he was in the Regular Army and did not enlist until after the Civil War was practically over, although I think it was some time before it was theoretically over.

Mr. BRUMBAUGH. If it developed that he received an injury in the line of duty, what would prevent him from drawing back pay?

Mr. MANN. If he received an injury in the line of duty and could get a pension, I do not know whether this would give him back pay or not. The ordinary form is in such bills that no pay, bounty, or other emolument shall accrue prior to the passage of the act. That provision is not in this bill. It says that no pension shall accrue prior to the passage of the act. I suppose whoever prepared the bill designed to give the man back pay and allowance that would have been due him if he had received an honorable discharge.

Mr. BRUMBAUGH. Does not the gentleman think we would be honorably bound to go back and do the same, and be more imperatively bound to do so, for those who served during the war rather than to correct this record for one who had no service?

Mr. MANN. I do not think you can differentiate this case from the ordinary case that arises daily. I do not know how many Members of Congress have had cases sent to them; I know they come to me where men have enlisted now. I know they have court-martialed some for making false affidavits and given them a penitentiary sentence. They threatened to do that constantly, but they have not done it often; but they have done it in recent years. We now propose to put a crown upon the man's head because he did a wrong thing.

Mr. GILL. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. GILL. Mr. Chairman, I would like to ask the gentleman if it is necessary for a man to have an honorable discharge to get into one of those homes?

Mr. MANN. I do not know about that.

Mr. GILL. Possibly that is the reason—his desire to get in there.

Mr. MANN. I do not think that is the reason at all. I do not think this is a case where a man wants to get into a soldiers' home, but a case where he wants to get a pension.

Mr. GILL. Would not that be equivalent to a pension?

Mr. MANN. It might be.

Mr. BURKE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. BURKE of South Dakota. I was about to ask the question which the gentleman from Missouri has just propounded. It seems to me that if a man does not have to have an honorable discharge, and I do not think he has, to get into a soldiers' home, then that is not the purpose of the bill. The gentleman has very clearly stated, and others who are informed say that he is correct, that this soldier can not draw a pension under any law at the present time, if he is entitled to a pension at all, and therefore I do not see that he gains anything if this bill does become a law. I will vote for the bill, but I am wondering if it will do the man any good if it passes.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. GOULDEN. As president of the board of trustees of one of our largest State homes, in New York, I will say that men are admitted on a plain, simple discharge. There would be no question as to whether it was an honorable discharge or simply a discharge. Of course, if it were a dishonorable discharge, then we would not admit him, but this is not a dishonorable discharge, but just a plain discharge without honor or dishonor. Simply a separation from the service.

Mr. MANN. Do you admit men who served in the Regular Army?

Mr. GOULDEN. No. Only those of the Volunteer service.

Mr. MANN. But this man had no Volunteer service.

Mr. GOULDEN. I know; but he might be admitted to some other home, namely, the one here in Washington for the Regular Establishment.

Mr. LANGLEY. That depends on the law establishing the home.

Mr. GOULDEN. It is a question of whether he served in the Civil War, because I think the Civil War was declared officially closed early in 1866, so that he might get into the soldiers' home on the plea that he served during the Civil War, although the Civil War was practically over.

Mr. MANN. Mr. Chairman, I am very sorry to have detained the House even for a moment, on an important bill like this, and I will reserve the balance of my time.

Mr. SMITH of Minnesota. Mr. Chairman, I have a great deal of sympathy for the young men who join the Army. Going to and from my office for a number of years I have witnessed on the sidewalk every day a man dressed in a uniform, an officer of the United States Army, standing there for the purpose of enticing young men to join the Army. We all know that such inducements are tempting. We all know that young men have a great many visionary ideas, and that when they see this officer dressed in his immaculate uniform and they have had some trouble with their mother or father and have some idea that they would like to see the world, they say to themselves here is an opportunity, and they go to the recruiting station and from their homes and start to work for Uncle Sam. I say with all these cases it is our duty as men to recognize the characteristics of the boy, to recognize the circumstances surrounding him, and to recognize the fact that Uncle Sam has been one of the inducing causes to make that young man leave home and possibly take a false oath. It is claimed that this young man had committed the heinous crime of swearing falsely as to the date of his birth. I would like to know whether or not our distinguished leader on the minority side can swear to the date of his birth, or, in other words, does he, or does any Member who is present, know of his own knowledge the date when he was born?

Mr. MANN. Mr. Chairman, if the gentleman will yield, I will state that I have frequently sworn to the date of my birth. I hope the gentleman does not think I committed perjury. I have done it a great many times. Has not the gentleman himself sworn to the date of his birth?

Mr. SMITH of Minnesota. I did it on information.

Mr. MANN. Oh, no, no. Did he put in the oath that it was upon information or did he swear to the date of his birth?

Mr. SMITH of Minnesota. When I did I made a mental reservation. [Laughter.]

Mr. MANN. I never swear to a thing unless it is true.

Mr. SMITH of Minnesota. Mr. Chairman, I will grant that our distinguished leader never swears to anything but that which he thinks is true. But I still contend that he does not know when he was born. Neither do I. We have been told, and we have been told so often and by such good authority, for whom we have great respect, that we believe it, and that is all it amounts to. If this young man has done nothing except to make an affidavit that he believes he was born on a certain date, and he happened to be mistaken in that, it is no reason now why we should refuse to give to him that which every American citizen is proud to have, namely, an honorable discharge, if he has been in the Army.

Mr. STEPHENS of Texas. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Minnesota. Yes.

Mr. STEPHENS of Texas. I believe most of the States have a law that a young lady to be married must be over a certain age. Suppose a young man should swear that the girl was over that age, does the gentleman not think that he should be prosecuted if she were under the age? I suppose they have that law in the gentleman's own State.

Mr. SMITH of Minnesota. We have.
Mr. STEPHENS of Texas. Would the gentleman acquit this young man?
Mr. SMITH of Minnesota. Yes.
Mr. LANGLEY. I would like to be employed to defend him.
Mr. STEPHENS of Texas. What would you do with the laws in respect to perjury?
Mr. SMITH of Minnesota. I would enforce the laws of perjury when a man was brought before me who was using that for an unworthy purpose, but when a young man has been intimate with a young girl, and the circumstances are such that it is better that he should marry her than that a fatherless child should be born, I do not think it would be humane to prosecute him if he could not legally marry her under any other circumstances.
Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?
Mr. SMITH of Minnesota. Yes.
Mr. GREENE of Vermont. I am not very much of an authority upon such cases, but I would like to ask the gentleman about this. If this boy swore to the date he thought was the date of his birth in good faith, and subsequently is to be relieved of any penalty that he may have incurred through ignorance, why did he not keep up his good faith for the full three years of his enlistment, instead of accepting that pretense or excuse to get out and shirk a portion of it?
Mr. HAY. Will the gentleman yield to me to answer that?
Mr. GREENE of Vermont. Surely.
Mr. HAY. For the very reason he did not ask to get out at all. He was gotten out upon the request of his parents.
Mr. GREENE of Vermont. I understand.
Mr. HAY. And not on his own request; he had nothing to do with getting out.
Mr. GREENE of Vermont. I understand that perfectly well, but the assumption always is and the experience in a great many of these cases is that there is always collusion between the boy who wants to get out and the mother who furnishes the evidence in order to get him out.
Mr. McKELLAR. There is no evidence of that kind in this case.
Mr. BURKE of South Dakota. Will the gentleman yield?
Mr. SMITH of Minnesota. I will.
Mr. BURKE of South Dakota. I am in sympathy with the statement the gentleman made before he was interrupted a moment ago, that in the case such as he described the soldier ought to have an honorable discharge. Does this bill give this soldier an honorable discharge?
Mr. SMITH of Minnesota. It gives him what he asked.
Mr. BURKE of South Dakota. But does it give him an honorable discharge, and if it does not give him an honorable discharge, what does it give him, and what is the benefit accruing to him from such a discharge as this bill seeks to give him?
Mr. SMITH of Minnesota. He would get a benefit to this extent: It would show an attempt on the part of the Government to rectify that which it had attempted to do at an earlier date, which possibly was wrong.
Mr. BURKE of South Dakota. But it simply provides, as I understand the terms of the bill, that in the administration of the pension laws he shall be considered to have been honorably discharged, and so forth. Now, it does not give him an honorable discharge, and I am trying to find out, if the bill passes, whether this man will receive any substantial benefit. Can he draw a pension, and if so, under what law? Is he not eligible now to admission to a soldiers' home, and if he is, the bill does him no good, and if the gentleman will describe and say just what benefit he will derive by this bill, if it is enacted into law, I would like to have it?
Mr. SMITH of Minnesota. I imagine that an application for this sort of legislation is actuated by sentimental motives. I do not know that any man gets any direct benefit from an honorable discharge. I do not know that any great harm comes to him from a dishonorable discharge, but it is a mental attitude and it might be beneficial to the individual, and it is not for us to deny that application because we can not see any material benefit accruing to him.
Mr. BURKE of South Dakota. The bill by implication clearly shows he has not an honorable discharge. It simply says in the administration of the pension laws he shall be considered as having been honorably discharged, whereas the implication would be that he was not.
Mr. SMITH of Minnesota. I did not know it says in the administration of the pension laws. Is that in the bill?
Mr. BURKE of South Dakota. It is in the bill.
Mr. SMITH of Minnesota. Very good.
Mr. GOLDFOGLE. Will the gentleman yield?
Mr. SMITH of Minnesota. Certainly.
Mr. GOLDFOGLE. I was not here when the discussion began, and I desire to ask this question for information. What was the discrepancy in the date of birth?
Mr. SMITH of Minnesota. Just a few months.
Mr. GOLDFOGLE. Only a few months; and how is that explained?
Mr. SMITH of Minnesota. Well, there is no explanation of it. I know nothing except what is in the report. I find he enlisted in the fall of 1865 and he served until the fall or summer of 1868, when his mother came to the War Department and filed an affidavit to the effect that he was not 18 years old when he enlisted.
Mr. GOLDFOGLE. During the time he served was his record good in the service?
Mr. SMITH of Minnesota. I think it was excellent, and I understand there is nothing before us to show that the mother and boy were in cahoots or in collusion when she tried to get him out of the Army.
Mr. GOLDFOGLE. So that apparently there was good faith on the part of the boy?
Mr. SMITH of Minnesota. So far as the record here shows.
Mr. GOLDFOGLE. There is nothing to negative that?
Mr. SMITH of Minnesota. No.
Mr. GREEN of Iowa. Will the gentleman yield?
Mr. SMITH of Minnesota. I will.
Mr. GREEN of Iowa. Is it not a fact that, if this bill passes, the claimant could be admitted to a national soldiers' home for the Regular Army? All that prevents his being admitted now would be this record, which would be removed for such a purpose.
Mr. SMITH of Minnesota. I understand that is the fact. I now yield to the gentleman from Iowa [Mr. TOWNER].
Mr. TOWNER. The record shows, as I understand, that the young man served about three years.
Mr. SMITH of Minnesota. Two years and eight months.
Mr. TOWNER. Nearly three years, and that so far as the record shows he has an honorable record of service?
Mr. SMITH of Minnesota. Yes.
Mr. TOWNER. And that when he first made his application for admission he was something over 16 years of age?
Mr. SMITH of Minnesota. Yes.
Mr. TOWNER. Then, really, the record as it now stands penalizes him for what appears to be a dishonorable discharge, and now all he is asking by this bill is to remove that disability or that inference?
Mr. SMITH of Minnesota. As far as we can do so.
Mr. TOWNER. As far as we can.
Mr. SMITH of Minnesota. There is some objection that the bill does not go far enough, that it does not amount to anything, and in reply to that the only thing I can say is that if this suits him and he seems to be getting anything by it, and it is the only thing we can do, why not give it to him?
Mr. TOWNER. Is it not more creditable to him to ask for an honorable discharge for sentimental reasons, as the gentleman suggests, than merely trying to get a pension and a place in a soldiers' home? [Applause.]
Mr. SMITH of Minnesota. I consider it very much more so. I will not detain the committee longer than to say that this is only one of a number of cases that are apt to be brought before the Congress and that Congress will have to consider, and in considering them I believe that we ought to be actuated by humane motives, and we should not sit here as a general in the field who is directly facing the enemy when he must have strict discipline, and if a man does not obey an order there is only one way to enforce it, and that is to have him shot; but we are exercising authority in a different atmosphere, where we can take into consideration the element of humanity, of charity, and of the welfare of the young men of this country who are induced to join the Army by Uncle Sam himself, by the fife, the drum, and the uniform. And we ought to adopt such a policy as will not deal too harshly with these young men, or a great many of them, in the period when they are sowing their wild oats. After they have been in the Army for a time they develop the better side of their nature, and then they show that they are going to become substantial, worthy citizens; and when there is no longer any need for them in the Army, and for some cause or other they leave the Army, we should not be too exacting with them.
Now, when our Army is made up in a large degree of young men who have misguided notions, by young men who are in the period of changing from boyhood to manhood, and have not absolute control of themselves, have not found themselves, so to speak, we should deal with them in a more charitable way. [Applause.] Because what good does it do you, or what good

does it do me, to crush the young man at the very threshold of his manhood? That is the time when we should lend him a helping hand; and in the case of this young man, he having served 2 years and 8 months with a creditable record when his mother saw fit to get him out of the Army, is that any reason now why we should penalize him because he did not live up to every rule that we know to be moral and worthy?

If we would enforce the statutes as we find them in the criminal codes of our respective States, as the gentleman from Texas said, there would be a great many hardships worked. The laws and the statutes are not made to work hardships. Laws and statutes are made to apprehend criminals, to punish a man who is born with sentiments and principles that you can not curb except in prison, but not for the punishment of men who make slight mistakes, who are unfortunate in some respects. There is a great difference between the two classes.

Mr. STEPHENS of Texas. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Texas?

Mr. SMITH of Minnesota. Yes.

Mr. STEPHENS of Texas. Is it not a fact that if this bill is passed it will give the young man a bounty in violation of the law?

Mr. SMITH of Minnesota. In what respect?

Mr. STEPHENS of Texas. It carries an appropriation, does it not?

Mr. SMITH of Minnesota. I understand not. I understand that the only bounty this bill gives to the young man is to pay him what the United States Government owes him, and what the United States Government took away from him as a fine or penalty at the time he was discharged.

Mr. STEPHENS of Texas. That is a wrongful act, is it not?

Mr. SMITH of Minnesota. In my opinion it was not such a wrongful act as would warrant us now in continuing that penalty imposed upon him. By his 50 years of good citizenship, by his 50 years of loyalty to this Government, by his 2 years and 8 months of service rendered to his country in the Army, he has shown that he is not such a man as ought to be penalized.

Mr. STEPHENS of Texas. Mr. Chairman, will the gentleman yield again for a question?

The CHAIRMAN. Does the gentleman yield?

Mr. SMITH of Minnesota. Yes.

Mr. STEPHENS of Texas. Is it not a fact that there is a provision of law—and it is carried forward now in actual practice—that a young man, under similar conditions as those, can pay a certain amount of money and be discharged from the Army? Is not that true?

Mr. SMITH of Minnesota. That is very true.

Mr. STEPHENS of Texas. Has not the gentleman had that done? I have had it done, and have procured discharges of young men in that way.

Mr. SMITH of Minnesota. Not as an honorable discharge.

Mr. MANN. Not as a matter of right. It is simply a matter of favor.

Mr. SMITH of Minnesota. It is a matter of discretion on the part of the military authorities.

Mr. MANN. He is discharged in that case by favor.

Mr. STEPHENS of Texas. Yes; but money has to be paid in order to do that.

Mr. MANN. Not in these cases.

Mr. STEPHENS of Texas. That is discharge by purchase, is it not?

Mr. SMITH of Minnesota. Yes. I can understand that. A young man may go to the Army and serve two years, and at the end of that time he may find a mother who is sick, or a father who is sick, and he may find it necessary to return home and take up his civil duties, and the Government under such circumstances says to him, "You can buy yourself out of the service," and he does it. But here is a young man who, for all we know, and for all that this record discloses, is willing to go along and serve out the balance of his term, and then he will virtually get his discharge. He was a young man who evidently prided himself on having an honorable discharge. Fifty years afterwards we find him pleading for an honorable discharge.

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield for a moment?

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Vermont?

Mr. SMITH of Minnesota. With pleasure.

Mr. GREENE of Vermont. Probably no man on the floor would be otherwise disposed than to agree with the gentleman from Minnesota that the law should not be vindictive in its attempt to secure justice, and that a young man who may commit indiscretions deserves reasonable consideration afterwards in order that the penalty that hung over him may not always hang over him. But the gentleman can not compare this particular instance, happening in the Army, with cases happening in civil life. The gentleman knows that a young man who is indiscreet in the years of his minority in civil life and in consequence receives a sentence committing him to a reform school can not by act of Congress or by the act of a State legislature change that record, no matter how society may afterwards very properly receive him or forgive him or condone his offense. If he went to a reform school, you can not change the record.

Mr. SMITH of Minnesota. In reply to that I wish to say that for the balance of that man's life he carries a cross, and if he is willing that the State should do something to modify that record and he is satisfied with what the State does, and believes that that which the State is doing is going to modify it in such a way as not to perpetuate that harsh and cruel record upon him and those that are dear and near to him, he ought to get it and we ought to give it to him.

Mr. GREENE of Vermont. Very well. Taking the gentleman at his word, what does the State do in similar cases, where a boy has been imprisoned in the reform school, and where society, following a very generous and proper policy, afterwards receives the man and helps him to get along? Does society, through its expression in government and the law ever remove that reform-school sentence from the books?

Mr. TOWNER. Will the gentleman from Minnesota yield for a suggestion?

Mr. SMITH of Minnesota. Yes.

Mr. TOWNER. I should like to say that they certainly do that. Does not the gentleman think that in a case of that kind a pardon is valuable to a young man?

Mr. GREENE of Vermont. But do they remove the record?

Mr. TOWNER. You can not remove the record.

Mr. GREENE of Vermont. That is just the point exactly, and that is the reason why I object to this bill, because that is what this bill proposes to do.

Mr. TOWNER. If that were the case we would never pass bills of this kind.

Mr. GREENE of Vermont. I do not think we ought to.

Mr. TOWNER. The gentleman is of that opinion, but I do not think many Members of the House will agree with the gentleman on that. Now, if I am not taking too much of the time of the gentleman from Minnesota——

Mr. SMITH of Minnesota. I yield to the gentleman.

Mr. TOWNER. Let me say that I do not care what the motive of this young man is in asking for this. It seems to me that from any possible standpoint we ought not to refuse it. He enlisted in those troublous times, before the war had really ended, for service in the Army. It is true he made a misstatement with regard to his age, but thousands and tens of thousands of young men on both sides did the same thing. Nobody now regards that as a moral wrong. In fact, with very many it is regarded as a matter to be approved rather than otherwise that these boys in order to get into the Army to serve their country stated that they were older than they really were. Why should we continue to insist on having this derogatory record hanging over this young man, because that is just what it amounts to?

Mr. GREENE of Vermont. Will the gentleman permit me right there?

Mr. TOWNER. Yes.

Mr. GREENE of Vermont. I quite agree with the gentleman that in time of war technicalities ought not to stand between an able-bodied youth and his desire to go to the front and serve his country. Under such circumstances men are willing enough to shrug their shoulders and wink at technical evasions of the law. It is true that under those circumstances many boys resorted to a subterfuge in order to get into the Army; but this boy enlisted six months after the war was over, when there was no excitement about war, when the talk was all about peace, and how happy the Nation was that it was at peace. He did not go into the Volunteer Army, but into the Regular Army.

Mr. TOWNER. I will say to the gentleman that it is quite true that this was a short time after the actual fighting had ceased; but the gentleman is not justified in saying that this occurred after the end of the war, because, technically, the war did not end until the spring of 1866. The gentleman from Vermont [Mr. GREENE] can not personally remember what the attitude of a young man was at that time, because he is not old enough. It certainly was considered an honor at that time to serve the United States Government. It certainly was considered an honor to enlist, and enlistments were required, if not to put down the rebellion, for the purposes of pacification and for

the purpose also of fighting the Indians in the West, because that warfare was then being carried on. The desire of this young man to become a soldier of the United States and to enlist was an honorable desire, and he did enlist, and did good service for almost three years. Why should we now say that he shall carry until he dies a record that to him is dishonorable?

Mr. LANGLEY. Will the gentleman yield to me for a suggestion or two?

Mr. SMITH of Minnesota. I yield to the gentleman.

Mr. LANGLEY. The gentleman from Minnesota [Mr. SMITH] is always logical and just, and I am especially impressed with his remarks on this case. I would like to make one or two observations in his time, if he will permit. The "young man," to whom the gentleman from Iowa [Mr. TOWNER] and a number of other gentlemen have been referring, is now quite gray-headed. The committee seem to have lost sight of that fact. He has children much older than I am. He is, in fact, a very old man, and for him the sun of life will soon set. I am told by the gentleman from Iowa [Mr. WOOD], in whose district he lives, that he is an exemplary citizen, a man who stands high in his community. If he were a young man, perhaps the case might strike me a little differently, although I have great sympathy for them in such circumstances; but he is an old man and has an excellent record as a soldier and a citizen, save this one indiscretion in his youth that ought not to count against him with us now. It seems to me that we ought to consider his age and character, and resolve the doubt in his favor. If my friend from Minnesota will pardon me a little longer, I will say that I am going to vote for this bill without regard to the benefit that this man may or may not derive from it. Speaking of the advantage of it to him, I think gentlemen have lost sight of the point that there ought to be considerable honor attaching to the fact that a man receives such recognition as this bill would give this old man at the hands of the Congress of the United States. I hope there is, at any rate. [Laughter.] Gentlemen lose sight also of the fact, which is a very unusual one, that this old man's case has received the consideration of the greatest legislative body in the world for fully two hours, which is longer than any similar case has occupied the attention of the House during the eight years that I have been a Member of it, and I am sure he will feel honored by that. So this bill has already done him some good; and incidentally, I might remark, that this discussion has already cost the Government of the United States, at the rate of twelve or fifteen dollars a minute, many times the amount of any pension that he could possibly get during his comparatively few remaining days of life as a result of the enactment of this legislation.

Now, if you will pardon me just one minute further I want to say that I have had a good many cases before the Committee on Military Affairs myself. I have never been able to get a favorable report from the full committee on a single one of them. I have one case in my mind where a soldier—John F. Rudd—served two years and seven months in the Civil War. He was a brave soldier. He was in that famous company of heroes who planted the national colors first on the heights of Lookout Mountain on that memorable morning. He went home on a veteran furlough, having served out his enlistment, and reenlisted as a veteran volunteer, and contracted disease of the eyes and was nearly blind for more than a year and had to be led around. In addition to that he was surrounded by Confederates, and he could not have gotten back to his command even if he had been physically able to do so. He was charged with desertion. It was not true, and that fact has been conclusively proven by a dozen witnesses. I have tried for seven years to get a favorable report on that bill. I have not been able to do so. Cases like this that are not reported are the cause of much of this criticism and dissatisfaction with some of these bills that are reported. It is certainly a much more meritorious case than this one, but I am going to vote for this one also, and so heap a few coals of fire upon the heads of the Committee on Military Affairs. [Applause.]

Mr. SMITH of Minnesota. I agree with the sentiments expressed by the gentleman from Kentucky [Mr. LANGLEY], and I can say that I likewise have had a bill before the Committee on Military Affairs during this whole session of Congress. I have appeared on two or three occasions and stated the case as best I could. The committee has not yet taken any action, because there is an adverse sentiment in the committee. I have been waiting until I could get a better sentiment before I pushed the matter. I must say that I doubt if I ever get it out. Nevertheless, I am not holding that up against the committee. That is not the committee's fault. The committee, in this case, has performed its duty by bringing out a report on this bill. It has brought the matter before us in a way that the matter should be brought. The committee has done its duty, and we should vote for or against this measure, not because the committee reports it, but because it appeals to our sense of what is right and what is wrong. We are not robbing the Government of anything, we are not taking anything of consequence out of the Treasury, but we are dealing justly with an old man who is about to shuffle off into the realms of the unknown, and he is asking us to try and make him happy in his old age, at the expense of no one, but out of pure and simple justice. [Applause.]

In conclusion, I wish to quote from that distinguished Briton and friend of America, William Pitt, in his reply to Horace Walpole in a debate which took place on March 10, 1740, in the House of Commons. Mr. Pitt replied:

> Sir, the atrocious crime of being a young man, which the honorable gentleman has with such spirit and decency charged upon me, I shall neither attempt to palliate nor deny, but content myself with wishing that I may be one of those whose follies may cease with their youth, and not of that number who are ignorant in spite of experience.
>
> Whether youth can be imputed to any man as a reproof I will not, sir, assume the province of determining; but surely age may become justly contemptible if the opportunities which it brings have passed away without improvement, and vice appears to prevail when the passions have subsided. The wretch that, after having seen the consequences of a thousand errors, continues still to blunder, and whose age has only added obstinacy to stupidity, is surely the object of either abhorrence or contempt and deserves not that his gray head should secure him against insults.

Mr. BURKE of Pennsylvania. Mr. Chairman, in connection with the suggestions made by the gentleman from Illinois [Mr. MANN], I was amazed to learn, as a number of Members on the floor were, that a man necessarily did not require an honorable discharge to receive a pension. I find upon investigation that the gentleman from Illinois, as usual, is right. The distinction lies between those not having an honorable discharge and those strictly termed "deserters." Under the act of March 3, 1873, there is no limitation whatever upon any individual who served in the military or naval branch of the United States receiving a pension, even though he was not honorably discharged from the service.

Mr. McKELLAR. Will the gentleman yield?

Mr. BURKE of Pennsylvania. Certainly.

Mr. McKELLAR. Does the gentleman mean to say that a deserter—this bill is not a bill for desertion—but does the gentleman mean to say that a man who is charged with desertion on the records, although he was wounded in the Civil War, would be entitled to a pension?

Mr. BURKE of Pennsylvania. No; I have not yet so stated. A deserter is not entitled to a pension, because there is a specific provision in two sections of the Revised Statutes against it. One is that he forfeits the rights of a citizen if he is a deserter; and another, which is more specific (the act of 1898), provides that any soldier who deserts shall, besides incurring the penalty attached to the crime of desertion, forfeit all right to a pension which he might otherwise have acquired.

Aside from that, there is no limitation upon the Commissioner of Pensions' power to grant pensions for disabilities incurred in the service by reason of the absence of an honorable discharge.

Mr. McKELLAR. The gentleman from Pennsylvania, I believe, has served on this committee for some length of time and knows of these cases coming before this particular subcommittee and which are now the subject of discussion. He knows that there are many of these bills where men who have been wounded in the Army are applying to the committee for relief in order to get pensions that they can not get now under the law.

Mr. BURKE of Pennsylvania. That is true. Mr. Chairman, I call the committee's attention to the acts covering this question:

REVISED STATUTES.

SEC. 4692. Every person specified in the several classes enumerated in the following section who has been since the 4th day of March, 1861, or who is hereafter disabled under the conditions therein stated, shall, upon making due proof of the fact, according to such forms and regulations as are or may be provided in pursuance of law, be placed on the list of invalid pensioners of the United States and be entitled to receive for a total disability or a permanent, specific disability such pension as is hereinafter provided in such cases; and for an inferior disability, except in cases of permanent, specific disability, for which the rate of pension is expressly provided, an amount proportionate to that provded for total disability, and such pension shall commence, as hereinafter provided, and continue during the existence of the disability.

SEC. 4693. The persons entitled as beneficiaries under the preceding section are as follows:

First, any officer of the Army, including Regulars, Volunteers, and Militia, or any officer in the Navy or Marine Corps, or any enlisted man, however employed, in the military or naval service of the United States, or in its Marine Corps, whether regularly mustered or not, disabled by reason of any wound or injury received, or disease contracted, while in the service of the United States and in the line of duty.

ACT OF APRIL 26, 1898 (30 STAT. L., 365, CH. 191, SEC. 6).

That in time of war the pay proper for enlisted men shall be increased 20 per cent over and above the rates of pay as fixed by law:

Provided, That in war time no additional increased compensation shall be allowed to soldiers performing what is known as extra or special duty: *Provided further*, That any soldier who deserts shall, by incurring the penalties now attaching to the crime of desertion, forfeit all right to pension which he might otherwise have acquired.

REVISED STATUTES.

SEC. 1996. All persons who deserted the military or naval service of the United States and did not return thereto or report themselves to a provost marshal within 60 days after the issuance of the proclamation by the President, dated the 11th day of March, 1865, are deemed to have voluntarily relinquished and forfeited their rights of citizenship, as well as their right to become citizens; and such deserters shall be forever incapable of holding any office of trust or profit under the United States or of exercising any rights of citizens thereof.

Mr. KREIDER. Mr. Chairman, I want to call the attention of my Democratic friends who are in favor of an economical administration that we are about to consider a bill providing for an extra revenue tax, and that they have spent two hours and forty minutes on this bill which, at the rate of $12 a minute, amounts to nearly $2,000.

Mr. HAY. And the most of the time has been occupied by the gentlemen on the other side.

Mr. McKELLAR. All of the filibustering on this bill has been on the Republican side. The bill would have been passed two hours ago had it not been for that.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. McKELLAR. Certainly.

Mr. COOPER. Mr. Chairman, I have heard over and over again this talk about $12 a minute. Whether we are here or not the salary of the Members of the House will not stop.

Mr. McKELLAR. That is my understanding.

Mr. COOPER. And the most of the employees are annual employees. All the reporters of the House are annual employees. Where do these gentlemen who figure so glibly every time the discussion of a bill takes place, that we are increasing the expenses of the Government at the rate of $12 a minute, find facts on which to base their statement?

Mr. McKELLAR. Does the gentleman ask me this question? I will reply that I think it is merely for political effect.

Mr. LANGLEY. The gentleman means that it is psychological.

Mr. McKELLAR. Oh, no; political.

Mr. GREEN of Iowa. Mr. Chairman——

Mr. MANN. Will the gentleman from Iowa yield to me for a minute?

Mr. GREEN of Iowa. I will.

Mr. MANN. Mr. Chairman, the gentleman from Tennessee, who has taken most of the time on this bill, a few moments ago said that the filibuster came from the Republican side of the House. If there is any filibuster on the bill, it must be by the gentleman from Tennessee, and I would not charge that. So far as time is concerned, I occupied on the floor more time than anyone else, and more than half of that was occupied by the gentleman from Tennessee and other Members in interrupting me.

Mr. McKELLAR. Will the gentleman yield?

Mr. MANN. I again yield to the gentleman.

Mr. McKELLAR. Under ordinary circumstances a bill like this would be passed without discussion—a bill that has been passed by the Senate and reported by a committee of the House. I say, and I think it within the limit, and gentlemen here who have laughed about a filibuster will bear me out in the statement, that the only filibuster is a filibuster from that side of the House—the Republican side of the House.

Mr. MANN. Again, Mr. Chairman, the gentleman uses a good deal of my time. I suppose he will say that is filibustering. I have not conducted any filibuster. I took the floor to explain this bill. The gentleman from Tennessee [Mr. McKELLAR] did not know anything about the bill when it came up except what he read from the report, and I thought it was proper that the House should be told. The gentleman says "under ordinary circumstances." Mr. Chairman, under ordinary circumstances no such bill would be favorably reported to the House. It is the first time in my 18 years of service in this House that a bill of this character has been favorably reported by the committee to the House. Creating a precedent, such as it does, it ought to receive consideration, and when I took the floor I would have finished in 10 or 15 minutes except for the interruptions of the gentleman from Tennessee in seeking to obtain light from me about a bill which he has reported, and of course courteously I endeavored to give him such information about the bill which plainly he did not have when he reported the bill.

Mr. McKELLAR. Mr. Chairman, I leave it to the Members of the House and to the public to examine the remarks of the gentleman from Illinois when they appear in the RECORD tomorrow morning and to examine mine, and then determine as to who knows most about this bill. I defy them to get any information about this bill from the remarks of the gentleman from Illinois [Mr. MANN].

Mr. GREEN of Iowa. Mr. Chairman, as has been well said, the claimant in this case is a man of advanced age. At the time when he undertook to enlist he was a boy of barely 15 years of age, a child, as it would seem to a person who has reached the age that I have. At that time he spoke as a child and thought as a child. He had not the mature judgment nor experience which later years would have given him. He was entitled to the consideration which a youth of 15 would ordinarily receive from the public. He committed no fraud in the ordinary sense of the term, although he may have committed a technical fraud. He obtained no benefit for himself. He injured no one by his act. The Government was not harmed. He rendered services for which he received pay and was denied pay for some of the time and some of the service which he gave to the Government. I think the bill ought to pass.

The CHAIRMAN (Mr. FOSTER). The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That in the administration of the pension laws and the laws governing the National Home for Disabled Volunteer Soldiers, or any branch thereof, Jacob M. Cooper, now a resident of Iowa, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private in Company C, Twenty-second Regiment United States Infantry, July 18, 1868: *Provided*, That no pension shall accrue prior to the passage of this act.

Mr. MANN. Mr. Chairman, I move to amend by inserting, after the word "pension," in line 10, the words "pay, bounty, or other emolument."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, in line 10, by inserting, after the word "pension," the words "pay, bounty, or other emoluments."

Mr. McKELLAR. Mr. Chairman, I have no objection to that amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois.

The amendment was agreed to.

The CHAIRMAN. The question is on laying the bill aside with a favorable recommendation.

The bill was ordered to be laid aside with a favorable recommendation.

The CHAIRMAN. The Clerk will report the next bill.

MIRICK BURGESS.

The next business in order on the Private Calendar was the bill (S. 5065) for the relief of Mirick Burgess.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Mirick Burgess, who was a private of Company I, Third Regiment New Hampshire Volunteer Infantry, and of Company H, Twelfth Regiment United States Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of the last-named company and regiment on March 28, 1863: *Provided*, That no pay nor bounty shall accrue or become payable by reason of the passage of this act.

Mr. McKELLAR. Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

Mr. MANN. Mr. Chairman, I make the point of order that that motion is not in order at this time.

The CHAIRMAN. The motion is not in order now, on the first reading of the bill.

Mr. MANN. Mr. Chairman, as the gentleman from Tennessee [Mr. McKELLAR] apparently is not familiar with the bill, I will ask, if permissible, that the Clerk read the gentleman's report in my time.

The CHAIRMAN. Without objection, the Clerk will read the report.

The Clerk read as follows:

Report to accompany S. 5065.

The Committee on Military Affairs, to whom was referred the bill (S. 5065) for the relief of Mirick Burgess, having considered the same, report thereon with a recommendation that it do pass.

We adopt the report of the Senate Committee on Military Affairs, which report is as follows:

"The Committee on Military Affairs, which has had under consideration the bill (S. 5065) to correct the military record of Mirick R. Burgess, reports the same to the Senate favorably and recommends that it be passed with the following amendments:

"Strike out all after the enacting clause and insert in lieu thereof the following:

"'That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Mirick Burgess, who was a private of Company I, Third Regiment New Hampshire Volunteer Infantry, and of Company H, Twelfth Regiment United States Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of the last-named company and regiment on March 28, 1863: *Provided*, That no pay nor bounty shall accrue or become payable by reason of the passage of this act.'

"Amend the title so it will read: 'A bill for the relief of Mirick Burgess.'

"A bill (S. 40) for the relief of this soldier was favorably reported (S. Rept. 564) by your committee and was passed by the Senate in the Sixtieth Congress.

"In connection with this case attention is respectfully invited to copy of the record of this soldier as furnished by the Chief of the Record and Pension Office, March 20, 1896; communication to the Secretary of War from The Adjutant General, dated March 23, 1896, being a report on bill S. 2518 of the Fifty-fourth Congress; communication from the Assistant Adjutant General of March 18, 1896, to Hon. J. H. GALLINGER, United States Senator; communication from the Auditor for the War Department of April 27, 1906; and affidavits of the claimant of April 22, 1896, and April 30, 1906, hereto appended and made a part of this report.

"The above records and affidavits show that this soldier was mustered into service August 24, 1861, as a private in Company I, Third New Hampshire Infantry, to serve three years. He was reported present with his company from enrollment to April 30, 1862, and on the roll dated June 30, 1862, he was reported 'Absent; wounded in action at James Island, S. C.; sent to general hospital and Hiltonhead, S. C.'; and the subsequent rolls to February 28, 1863, reported him 'Absent in hospital at Bedloes Island, N. Y.; wounded.' The roll dated April 30, 1863, and the company muster-out roll, dated July 20, 1865, reported him discharged December 18, 1862, by reason of enlistment in the Twelfth United States Infantry. He enlisted December 18, 1862, in Company H, Second Battalion, Twelfth Infantry, at Fort Hamilton, N. Y., to serve three years, and is charged with desertion at the same post, March 28, 1863.

"The soldier in his affidavit of April 23, 1896, states that he remained at Fort Hamilton until he was paid off and discharged, when he left Fort Hamilton and went directly to Winchester, N. H., in which place, or in the vicinity of which place, he has since continuously resided.

"The affidavit of the soldier of April 30, 1906, states that he was wounded at Secessionville, S. C., June 16, 1862, and was taken to the general hospital at Port Royal, was removed to Bedloe Island, New York Harbor, remained there a few weeks, and was then transferred to the hospital at Fort Hamilton, New York Harbor. Early in December he requested that he be returned to his regiment, but was urged to join the Twelfth Infantry, United States Army. On December 18, 1862, he was transferred from the Third New Hampshire to the Twelfth Regulars. On March 28, 1863, he was informed that his discharge had come and that he could get his money at the paymaster's office. He received a draft for $112.91, which was cashed in the treasurer's office, and on that date he went home, where he remained. He reports that he supposed he was discharged from the Army, and got no intimation to the contrary; that he did not desert from the Twelfth Infantry; had no thought of deserting, and never suspected that he was considered a deserter until an application for pension was rejected on the ground of his desertion. He further states that he is now drawing a pension on account of wounds. The soldier's statement in this respect is borne out to a certain extent by the communications appended, dated March 18, 1896, March 23, 1896, and April 27, 1906, all of which show that the soldier was paid on March 23, 1863, $112.91, being arrears of pay and clothing allowance due the soldier as a private in the Third New Hampshire to December 18, 1862.

"From the above it would appear to your committee that there was no willful intention on the part of this soldier to desert the service of his country, but that he received a document which he was told was his discharge, and taking the same to the paymaster's office and receiving his pay, he believed that he was discharged from the service, and returned to his home; and in view of the long and faithful service of the soldier, the wounds that he received in such service, and his most excellent character since his return from the service, as testified to by a number of communications and petitions addressed to your committee by prominent people of his locality, your committee believes that the error of the soldier, through ignorance in mistaking the document for his final pay in the Third New Hampshire Regiment as his discharge from the service, and through illiteracy (the papers in the case showing that he was unable to read writing at the time), should not militate to his injury, but that he should be given the relief provided in the amended bill."

Mr. McKELLAR. Mr. Chairman, I think that is the end of the report, unless the gentleman wishes all of these other letters read.

Mr. MANN. Oh, I think the Clerk has not finished the report.

Mr. McKELLAR. These other papers are connected with it.

Mr. MANN. The other papers are a part of the report. The committee did not make any report except to adopt the Senate report, and, so far, nothing has been read to indicate why the bill should be passed. The important thing is the War Department report, which comes next.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CASE OF MYRICK R. BURGESS, LATE OF COMPANY F, THIRD NEW HAMPSHIRE INFANTRY VOLUNTEERS.

RECORD AND PENSION OFFICE, WAR DEPARTMENT,
March 20, 1906.

The SECRETARY OF WAR:

The name of Myrick R. Burgess has not been found on the rolls of Company F, Third New Hampshire Infantry Volunteers, on file in this office.

It appears, however, that Merrick (also borne as Mirrick) Burgess was enrolled August 21, 1861, and mustered into service August 24, 1861, as a private in Company I, Third New Hampshire Infantry Volunteers, to serve three years.

He is reported present on the company muster rolls from enrollment to April 30, 1862; the roll dated June 30, 1862, reports him "Absent, wounded in action at James Island, S. C., sent to general hospital at Hiltonhead, S. C."; and the subsequent rolls to February 28, 1863, report him "Absent in hospital at Bedloes Island, N. Y., wounded"; the roll dated April 30, 1863, and the company muster-out roll, dated July 20, 1865, report him discharged December 18, 1862, by reason of enlistment in the Twelfth United States Infantry.

Respectfully submitted.

F. C. AINSWORTH,
Colonel, United States Army, Chief Record and Pension Office.

WAR DEPARTMENT, ADJUTANT GENERAL'S OFFICE,
Washington, March 23, 1896.

The records of this office show that Pvt. Mirrick Burgess, Company H, Second Battalion Twelfth Infantry, enlisted December 18, 1862, for three years, deserted at Fort Hamilton, N. Y., March 28, 1863, and that he never returned to his command.

The Auditor for the War Department, United States Treasury, has reported to this office that there is no evidence of final payment or discharge of Mirrick Burgess as of Company H, Second Battalion Twelfth Infantry, on file in his office, but that on March 23, 1863, the soldier was paid arrears of pay ($112.91) to December 18, 1862, as a private in Company I, Third New Hampshire Volunteers.

The department has no power to remove the charge of desertion, and favorable action on the proposed legislation can not be recommended.

Respectfully submitted.

GEO. D. RUGGLES, *Adjutant General.*

The SECRETARY OF WAR.

WAR DEPARTMENT, ADJUTANT GENERAL'S OFFICE,
Washington, March 18, 1896.

SIR: In reply to your inquiry in regard to the military service of Mirrick R. Burgess, I have the honor to inform you that the records of this office show that Merrick (also borne as Mirrick) Burgess was enrolled August 21, 1861, and mustered in August 24, 1861, as private, Company I, Third New Hampshire Volunteers, and that he was discharged December 18, 1862, by reason of enlistment in the Twelfth United States Infantry; that he was enlisted December 18, 1862, as Mirrick Burgess in Company H, Second Battalion Twelfth Infantry, at Fort Hamilton, N. Y., for three years, and deserted at the same post, a private, March 28, 1863, never returning to his command.

The Auditor for the War Department reports that no evidence of final payment or discharge of this man as of Company H, Second Battalion Twelfth Infantry, is on file in his office, but that on March 23, 1863, the soldier was paid arrears of pay ($112.91) to December 18, 1862, as a private in Company I, Third New Hampshire Volunteers.

Very respectfully,

J. B. BABCOCK,
Assistant Adjutant General.

Hon. J. H. GALLINGER,
United States Senate.

TREASURY DEPARTMENT,
OFFICE OF AUDITOR FOR WAR DEPARTMENT,
Washington, April 27, 1906.

SIR: Replying to yours of recent date regarding final pay as private, Company I, Third New Hampshire Volunteer Infantry, you are informed that the records show that you were paid final pay as of above service March 23, 1863, amount $112.91, being pay and clothing pay due for service as of Company I, Third New Hampshire Volunteer Infantry, from May 1, 1862, to December 18, 1862. The final statement with the voucher shows that you were discharged at Fort Hamilton, N. Y., December 18, 1862, by reason of enlistment in the Twelfth United States Infantry.

Respectfully,

B. F. HARPER, *Auditor.*
By S. E. FAUNCE,
Chief Records Division.

MIRICK BURGESS
(Care of F. H. Buffum, Manchester, N. H.).

I, Mirick Burgess, of Richmond, in the county of Cheshire and State of New Hampshire, on oath say that I enlisted in Company I, Third New Hampshire Volunteers, and I always supposed and believed that I was a member of said company and none other. I was wounded in the battle of James Island on the 16th day of June, 1862. I was sent to the hospital at Port Royal, and then I was transferred to Bedloes Island, N. Y. I then went to Fort Hamilton, some time in September. I think while there I done a little work, but only slight. I wanted to go back to my company and they refused or thought it best for me not to go back. I remained there all of the time until I was paid off and discharged. I now understood that I enlisted in the United States service, and if I did I was unaware of the fact. When I left Fort Hamilton I left as I supposed I had a right to, as I understood that I was not able to do military duty. I left Fort Hamilton and came direct to Winchester, where I have ever since lived and in its immediate vicinity. I was never a man who shirked my duty, and if I had for one moment thought that I was enlisted in the United States service I should have wanted to carry out my contract. I for a time received a pension and did not know until it was suspended that there was anything wrong in my Army record. I have circulated a petition and have procured all whom I have asked, and the names comprise all the best business men of this section. I feel that the charge is one that has come upon me by some mistake or other and should be removed. I therefore hope and pray that such action will be taken as will grant me the relief asked for.

MIRICK BURGESS.

STATE OF NEW HAMPSHIRE, *County of Cheshire, ss:*

Subscribed and sworn to this 22d day of April, A. D. 1896, before me.

[SEAL.] HOSEA W. BRIGHAM, *Notary Public.*

Mr. MANN. Mr. Chairman, I shall not insist upon having the rest of the report read, and ask that it be printed in the RECORD without being further read, in order not to detain the committee further.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to print the entire report in the RECORD. Is there objection?

There was no objection.

The remaining portion of the report is as follows:

I, Mirick R. Burgess, of Winchester, N. H., do make the following statement of my military service during the War of the Rebellion. In 1861 I was 23 years old and a resident of this town. On the 7th of August, 1861, I enlisted in Company I, Third New Hampshire Volunteers. I served in that regiment until wounded at Secessionville, S. C., June 16, 1862; was taken to the general hospital at Port Royal. Later was removed to Bedloes Island, in New York Harbor. Remaining there a few weeks, I was transferred to the hospital at Fort Hamilton, New York Harbor. Early in December I requested that I be returned to my regiment, but was urged to join the Twelfth Infantry, United States Army. On December 18, 1862, I was transferred from the Third New Hampshire to the Twelfth Regulars, Company H. On March 28, 1863,

I was informed that my discharge had come, and that I could get my money at the paymaster's over in New York City. I took the document, supposing it to be a discharge from the service of the United States. I did not read it, but went to the paymaster's office, got a draft for $112.91, which was cashed in the treasurer's office. I then, on that day, came home and remained at home. I supposed I was discharged from the Army and got no intimation to the contrary. I did not desert from the Twelfth Infantry; I had no thought of deserting and never suspected that I was considered a deserter until my application for an increase of pension was rejected on the ground of my desertion. I am now drawing a pension on account of wound. My discharge, which I now presume was a discharge from the Third New Hampshire, was lost in 1867 while I was at work in Athol, Mass.

MIRICK BURGESS.

STATE OF NEW HAMPSHIRE, *Cheshire, ss:*

Winchester, April 30, 1906, personally appeared Mirick Burgess, who subscribed and made oath to the truth of the foregoing affidavit before me.

[SEAL.] HOSEA W. BRIGHAM, *Notary Public.*

Mr. BURKE of Pennsylvania. Mr. Chairman, will the gentleman in charge of the bill yield for a question?

Mr. McKELLAR. Yes.

Mr. BURKE of Pennsylvania. In this case it appears that this man is a deserter, according to his own report, and he is at the present time drawing a pension. That is in conflict with the theory enunciated here, and the practice announced by the Pension Office, and the belief of the gentleman in charge of the bill, the chairman of the Committee on Military Affairs, and myself, and other Members.

Mr. McKELLAR. I do not know whether the man is drawing a pension or not.

Mr. BURKE of Pennsylvania. He states that he is now drawing a pension on account of wounds.

Mr. McKELLAR. I do not know how that is.

Mr. HAY. Mr. Chairman, I think I can explain that to the gentleman. He has a discharge from the New Hampshire command.

Mr. HOWARD. There were two enlistments.

Mr. HAY. He has a discharge from the New Hampshire regiment.

Mr. BURKE of Pennsylvania. But the statement of Gen. Ruggles is that the records at the War Department say that he is a deserter.

Mr. HAY. A deserter from his second enlistment, but not *from the* first.

Mr. HOWARD. He deserted from the enlistment at Fort Hamilton.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. McKELLAR. Yes.

Mr. WILLIS. Mr. Chairman, I call the gentleman's attention to the proviso, which is in this language:

That no pay nor bounty shall accrue or become payable by reason of the passage of this act.

I assume the passage of this act is to enable this person to secure a pension?

Mr. McKELLAR. Yes.

Mr. WILLIS. And if that be the purpose, ought not the proviso to be in the usual form—that no pay, bounty, or other emoluments shall accrue?

Mr. McKELLAR. The usual form is that no back pay, bounty, or pension shall accrue. I will offer an amendment when we read the bill under the five-minute rule.

Mr. BURKE of Pennsylvania. What will this do by way of benefit to this individual, so far as a pension is concerned, if he is already drawing a pension on account of his first enlistment, from which he had an honorable discharge? Of what benefit will this particular bill be to this man?

Mr. McKELLAR. He will be able to get a service pension under this act.

Mr. BURKE of Pennsylvania. Will he be entitled to two pensions?

Mr. McKELLAR. Oh, no; but one is greater than the other.

Mr. Chairman, I ask that the bill be read for amendment under the five-minute rule.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Mirick Burgess, who was a private of Company I, Third Regiment New Hampshire Volunteer Infantry, and of Company H, Twelfth Regiment United States Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of the last-named company and regiment on March 28, 1863: *Provided,* That no pay nor bounty shall accrue or become payable by reason of the passage of this act.

Mr. McKELLAR. Mr. Chairman, I move to amend, by inserting, on line 1, page 2, after the word "no," the word "back."

Mr. MANN. Mr. Chairman, if that is the only amendment the gentleman proposes to offer to that provision of the bill, it really does not amount to anything. There can be no pay or bounty accrue by reason of the passage of this act except back pay or bounty, and the bill provides that no pay or bounty shall acrue or become payable by reason of the passage of this act.

There can be no other except back. They used to put in the word "back," covering the question of pension—"No back pay, pension, bounty, or other emolument shall accrue," and so forth.

Mr. McKELLAR. Mr. Chairman, I do not think the amendment is necessary. I think this covers the case. I think this covers all there is.

Mr. MANN. I am inclined to agree with the gentleman.

Mr. McKELLAR. If the gentleman is willing, I will withdraw the amendment and ask that the bill be laid aside with a favorable recommendation.

The CHAIRMAN. Without objection, the amendment will be considered as withdrawn.

There was no objection.

Mr. McKELLAR. I move that the bill be laid aside with a favorable recommendation.

The motion was agreed to, and the bill was ordered to be laid aside with a favorable recommendation.

PHILIP COOK.

The next business in order on the Private Calendar was the bill (S. 1063) for the relief of Philip Cook.

The Clerk read as follows:

Be it enacted, etc., That in the administration of the pension laws Philip Cook, who was a private of Troop H, Sixth Regiment United States Cavalry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said troop and regiment on the 3d day of August, 1865.

Mr. McKELLAR. Mr. Chairman, I desire to read from a statement in reference to this particular bill:

The official report of The Adjutant General shows that this soldier enlisted at the beginning of the Civil War, on the 19th day of April; reenlisted August 14, 1861; was honorably discharged in each instance; that he reenlisted again February 6, 1864, and remained in service until August 3, 1865, when he left the Army, the war being over, and returned to his home along with other comrades. From this official record it appears that the soldier actually served 4 years 2 months and 14 days, his service extending over a period that practically covered the entire conflict of the sixties. The Adjutant General's report sets forth a copy of the affidavit of the soldier, in which it is shown that he participated in every battle and skirmish in which his regiment was engaged, and that he was never off duty a day for sickness or other reason.

I reserve the balance of my time.

Mr. MANN. I would like to ask my friend from Tennessee a question.

Mr. McKELLAR. I would be delighted to answer any question of the gentleman.

Mr. MANN. Why was no report obtained from the War Department in this man's case?

Mr. McKELLAR. I can not say at the moment, but there are a number of these cases which I examined at the time to convince myself of the justice of the case and of the correctness of the report, and I can not say weeks after a bill has been reported when there are so many of them I can not keep all the facts in each case in mind. My practice ordinarily is to copy the records of the War Department in the report, because I think that is the most satisfactory way of handling these matters, but evidently that was not done in this case.

Mr. MANN. Evidently my friend from Tennessee did not have the records of the War Department before him, because in his report he says:

The committee's action is based upon the report of the Senate Committee on Military Affairs, which report is as follows.

All the Committee on Military Affairs of the House had before it was the report of the Senate Committee on Military Affairs, which contains very little information and carefully avoids giving the man's record in the Army.

Mr. McKELLAR. No; I think the gentleman is mistaken. The committee gives his record in the Army and states the number of his enlistments and that he deserted from the last one after the war was over. It shows the exact term of his service and purports to be a substantial copy of these War Department records, and I have not the slightest doubt about the accuracy of the Senate report. I examined it and had the papers before me, and I have no doubt I used it for the purpose of avoiding going into that detailed work.

Mr. MANN. I do not see how it purports to be an exact copy of anything.

Mr. McKELLAR. Did I say an exact copy? I thought I said a substantial copy.

Mr. MANN. The Senate committee's report undertakes to give information. Where they got it I do not know. They probably obtained it from statements made by this claimant. Customarily we get that information as to the official record from the War Department.

Mr. McKELLAR. I will state to the gentleman, take the case we have just passed upon where it purports to give the exact copy of the War Department's report. The gentleman can not judge from these reports which is an exact copy. I may have padded that if I saw proper or made it entirely out of the whole cloth; but, as a matter of fact, I reported the facts as near as I could.

Mr. MANN. I do not assume the gentleman pads or treats the House falsely in anything. I have not intimated anything of the kind.

Mr. McKELLAR. I am sure the gentleman would not say anything of that kind.

Mr. MANN. But here is a report of the gentleman which says his report is based upon the Senate report, and nowhere in their report is any report from the War Department where the official records are.

Mr. McKELLAR. Well——

Mr. MANN. And in this case I am going to have the report read in my time so as to find out what their report is.

Mr. LANGLEY. The mere fact that the Senate report details the exact dates and length of service shows conclusively that they had the War Department records before them.

Mr. MANN. I hope the gentleman will not take up my time by filibustering.

Mr. McKELLAR. The gentleman's last remark refers to the gentleman from Kentucky [Mr. LANGLEY] and not to me.

The CHAIRMAN. The Clerk will read the report in the time of the gentleman from Illinois.

The Clerk read as follows:

The Committee on Military Affairs, to whom was referred the bill (S. 1063) for the relief of Philip Cook, having considered the same, report thereon with a recommendation that it do pass with an amendment.

Insert the following after the word "sixty-five," in line 8, page 1 of the bill:

"*Provided*, That no back pay, pension, or emolument shall accrue by reason of the passage of this act."

The committee's action is based upon the report of the Senate Committee on Military Affairs, which report is as follows:

"The Committee on Military Affairs, which has considered the bill (S. 1063) to grant an honorable discharge to Philip Cook, reports thereon favorably and recommends that the bill be passed.

"While the thoughtless conduct of this soldier as disclosed by the record led to the charge of desertion being placed against him by the War Department, investigation of the war record of the man negatives entirely the idea or charge that he belongs to that class known as deserters, camp followers, coffee coolers, or sutlers that followed in the wake of the Army in the sixties. On the contrary, the official report of The Adjutant General shows that this soldier enlisted at the beginning of the Civil War, on the 19th day of April; reenlisted August 14, 1861; was honorably discharged in each instance; that he reenlisted again February 6, 1864, and remained in service until August 3, 1865, when he left the Army, the war being over, and returned to his home along with other comrades. From this official record it appears that the soldier actually served 4 years 2 months and 14 days, his service extending over a period that practically covered the entire conflict of the sixties. The Adjutant General's report sets forth a copy of the affidavit of the soldier, in which it is shown that he participated in every battle and skirmish in which his regiment was engaged, and that he was never off duty a day for sickness or other reason. This affidavit is uncontradicted on the part of the Government and is corroborated by the sworn evidence of John Higley, a comrade who enlisted in the same company and regiment with Philip Cook and served with him until the close of the war. He says of Cook:

"'I never knew a better soldier than Philip Cook. I never knew him to be sick or in the hospital, and always found him on the line of duty.'

"It appears that the last of the three enlistments of this soldier during the Civil War was for a period of three years. The war, it later developed, was nearly over then, and his enlistment would have taken him beyond the duration of the war, or until February, 1867.

"The soldier, from his affidavit, seems to have taken the view of the matter that he had enlisted for three years, or until the war was over, and states that, without any intention of deserting, he left the regiment under the following circumstances:

"'The war was then over. Deponent had not been home for more than a year. He supposed that the regiment would be discharged, and, in company with 12 or 13 others, he left and came directly to his home in Williamsport, Pa., where he has resided ever since. He left thoughtlessly, being influenced by the action of the others who left with him, who included four or five noncommissioned officers. He has served faithfully in said regiment for about four years, never was a day off duty for sickness or any other reason, was in every battle and skirmish that his regiment participated in, and appeals to his record as a faithful soldier.'

"In the judgment of your committee, the record of this soldier throughout the Civil War does not comport with that of a deserter, and it is recommended that the relief sought in this case be granted."

Mr. McKELLAR. Does the gentleman from Illinois yield the floor?

Mr. MANN. No.

Mr. McKELLAR. I want to make a motion.

Mr. MANN. Very well.

Mr. WILLIS. Will the gentleman yield to me in order to ask a question of the gentleman from Tennessee?

Mr. MANN. I yield to the gentleman from Ohio.

Mr. WILLIS. I desire to call the attention of the gentleman again to the proviso, as I did in the previous bill, for the purpose——

Mr. MANN. Certainly my friend from Ohio can not call attention to any proviso in this bill.

Mr. WILLIS. I was just going to explain to my friend from Illinois this is a proviso that is proposed to be inserted by a committee amendment.

Mr. MANN. There is no committee amendment in the bill.

Mr. WILLIS. But there is one proposed in the report. I want to call the attention of the gentleman from Tennessee to the form of the proviso suggested as an amendment. It reads:

Provided, That no back pay, pension, or emolument shall accrue by the passage of this act.

Mr. McKELLAR. Yes.

Mr. WILLIS. Of course one of the purposes of the passage of this act is to make it possible for the beneficiary to secure a pension.

Mr. McKELLAR. Not a back pension.

Mr. WILLIS. Certainly not. I am directing the attention of the gentleman to the fact that as that proviso reads it might possibly be construed to apply to a back pension. Would it not be better to have it read this way? Is not this just what the gentleman ought to say: "*Provided*, That no back pay, bounty, or emolument shall accrue prior to the passage of this act"?

Mr. McKELLAR. If that is the gentleman's bill, I am willing to accept it.

Mr. WILLIS. No. Let me state that amendment again: "*Provided*, That no back pay, bounty, or emolument shall accrue prior to the passage of this act."

Mr. McKELLAR. You might put in the words "back pay and back emolument" if you wish.

Mr. MANN. The suggestion of the gentleman from Ohio [Mr. WILLIS] would permit the payment of back pay subsequent to the passage of the act, but not prior thereto.

Mr. WILLIS. If it could not accrue, there would not be such a thing as back pay and bounty.

Mr. MANN. While there might be a discussion as to whether the term "back pay, bounty, or pension" meant back pay, back bounty, or back pension, still it has been so construed by the Pension Office.

Mr. McKELLAR. I so understand.

Mr. WILLIS. Evidently the word "back" would refer to the pay.

Mr. McKELLAR. I will say to the gentleman this: The War Department has sent down a great number of forms. They do not always have the exact form which this has. But this is one of the forms submitted by the War Department. They would not submit a form in the proviso that would nullify the act, of course.

Mr. MANN. This is one of the forms that is submitted, that "no pay, bounty, pension, or other emolument shall accrue prior to the passage of this act." That is one form.

Mr. McKELLAR. Yes.

Mr. MANN. Another is that "no back pay," and so forth, "shall accrue by reason of the passage of this act."

Mr. WILLIS. That is all right if you construe the word "back" to apply to pension or emolument.

Mr. MANN. It is so construed.

Mr. McKELLAR. Mr. Chairman, let the Clerk read the bill for amendment.

The Clerk read the bill, as follows:

Be it enacted, etc., That in the administration of the pension laws Philip Cook, who was a private of Troop H, Sixth Regiment United States Cavalry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said troop and regiment on the 3d day of August, 1865.

Mr. McKELLAR. Mr. Chairman, I move the following amendment: "After the word 'sixty-five,' in line 8, page 1 of the bill, insert the words '*Provided*, That no back pay, bounty, or emolument shall accrue by reason of the passage of this act.'"

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Tennessee [Mr. McKELLAR].

The Clerk read as follows:

Amend by adding at the end of line 8 the following: "*Provided*, That no back pay, pension, or emolument shall accrue by reason of the passage of this act."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MANN. Mr. Chairman, I move to amend the amendment by inserting, after the word "pay," the word "bounty."

Mr. McKELLAR. Mr. Chairman, I accept the amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend the amendment by inserting, after the word "pay," the word "bounty."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. MANN] to the amendment of the gentleman from Tennessee [Mr. MCKELLAR].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee as amended by the amendment of the gentleman from Illinois.

The amendment as amended was agreed to.

Mr. MCKELLAR. Mr. Chairman, I move now that the bill as amended be laid aside with a favorable recommendation.

The CHAIRMAN. The gentleman from Tennessee [Mr. MCKELLAR] moves that the bill as amended be laid aside with a favorable recommendation.

The bill as amended was ordered to be laid aside with a favorable recommendation.

The CHAIRMAN. The Clerk will report the next bill.

CALEB T. HOLLAND.

The next business in order on the Private Calendar was the bill (H. R. 17752) for the relief of Caleb T. Holland.

The bill was read, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Caleb T. Holland who was a private of Company E, Sixteenth Regiment Illinois Volunteer Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of said company and regiment on the 18th day of April, 1864.

Mr. MCKELLAR. Mr. Chairman, this is a bill that was reported by the gentleman from Illinois [Mr. MCKENZIE], of the Committee on Military Affairs, and I will ask him to take charge of it.

The CHAIRMAN. The gentleman from Illinois [Mr. MCKENZIE] is recognized for one hour.

Mr. MCKENZIE. This soldier evidently deserted twice. He first enlisted in the Sixtieth Illinois Regiment of Infantry in 1862, and after serving about two years he reenlisted in this same regiment, and from that organization he deserted soon after his second enlistment and joined a battery of Indiana artillery, in which organization he served until some time in 1865, or until the close of the war—that is, the actual close of the war—and at that time deserted.

It is a fact that the evidence before the committee does not disclose very clearly just what the soldier was doing during the period from the time of his desertion from the Infantry regiment until he joined the Indiana battery of artillery.

Mr. WILLIS. Mr. Chairman, will the gentleman yield there?

Mr. MCKENZIE. Yes.

Mr. WILLIS. Did the soldier receive any bounty for his second enlistment?

Mr. MCKENZIE. Well, we were unable to determine from the papers before us whether he did or did not. But the gentleman who introduced the bill, Mr. HILL, of Illinois, asserted before the committee that he did not receive any bounty. Of course, if we had been advised that he had received any bounty we would not have reported the bill to the House. But the statement made by Mr. HILL was to the effect that the soldier did not receive any bounty or other emolument for his reenlistment. He gave as the reason for his first desertion the fact that one of his commanding officers seemed to have some sort of prejudice against him, and at every opportunity took occasion to humiliate him, and had threatened him with punishment; and, believing he was going to be punished, he left the train on which his command was traveling, and deserted. The very fact that he immediately, or very soon thereafter, joined another military organization is good evidence that he was not deserting for the purpose of getting out of the military service of his Government.

The evidence tends to show that he was a good soldier; that he did his work faithfully and well; and that his final desertion after the war was over was nothing more than what was done by thousands and thousands of other young men who, believing the war to be over and no further fighting necessary to be done, left and went to their homes.

We considered the matter very carefully, and we felt, and I feel now, regarding those boys who went into the service of their country and actually fought and were good soldiers, notwithstanding the fact that they may have been guilty of some indiscretions and violation of certain military regulations, that we ought to look with a great deal of charity upon such indiscretions when no real harm came therefrom to the country.

I have no use and no respect for a man who will desert a military organization on account of cowardice, or for the purpose of obtaining bounty or emolument by reenlisting, but when a man had some just reason, as I have no doubt many of the privates had, because of the treatment of some of their officers, and deserted from one organization and thereafter enlisted in another organization, without profit, I feel that we ought not to be too critical at this time, and for that reason I joined with the other members of the Committee on Military Affairs in recommending that this man's record be corrected.

Mr. MANN. In this case the claimant deserted twice. That of itself would be a sufficient reason for examining carefully into the case. It develops that the first time he deserted because the boys had knocked in the head of a barrel of whisky, and the captain of his company undertook to prevent him from getting drunk on the whisky, and he drew his gun and bayonet and tried to bayonet the captain, and the captain ordered the boys to arrest him, and he left. That seems to be a sufficient reason for making a careful examination of the merits of the case, and I will therefore ask that the Clerk in my time read the report of the committee, so that the House may understand the evidence that is presented to overcome two desertions and one attempt to kill the captain because the captain did not want him to get drunk.

The CHAIRMAN. The Clerk will read the report in the gentleman's time.

The Clerk read as follows:

The Committee on Military Affairs, to whom was referred the bill (H. R. 17752) for the relief of Caleb T. Holland, having considered the same, report thereon with a recommendation that it do pass.

The soldier, Caleb T. Holland, first enlisted in Company E, Sixtieth Illinois Volunteer Infantry, January 15, 1862, and was mustered into service February 17, 1862. He reenlisted in the same organization as a veteran volunteer February 18, 1864. He deserted from this organization April 18, 1864, near New Albany, Ind., giving as a reason for desertion that he was in great fear of his superior officer, who had treated him very unjustly without cause. After deserting the above-mentioned regiment he enlisted in Company B, First Indiana Volunteer Heavy Artillery, July 20, 1864, under the name of Charles T. Howard, to serve three years. He deserted from this organization June 24, 1865. The last charge of desertion has been removed under the law approved July 5, 1864.

The purpose of this bill is to clear up his record on the first desertion. It is evident that the soldier did not desert for the reason he did not care to serve his country, for he soon thereafter reenlisted and served to the end of the war, receiving no bounty or extra pay for such reenlistment. The time intervening from his first desertion until his reenlistment is not very fully accounted for, but we do not feel that such deficiency in the evidence is sufficient to justify the denial of the relief prayed in the bill. Hereto attached, and made a part of this report, is the letter of The Adjutant General; also, affidavit of soldier and three of his comrades.

CASE OF CALEB T. HOLLAND, ALLEGED LATE OF COMPANY B, FIRST REGIMENT INDIANA VOLUNTEER HEAVY ARTILLERY.

The name of Caleb T. Holland has not been found on the rolls, on file in this office, of Company B, First Indiana Volunteer Heavy Artillery.

It appears from the records of this office that Caleb T. Holland, Company E, Sixtieth Illinois Infantry Volunteers, subsequently served as a member of Company B, First Indiana Heavy Artillery Volunteers, under the name of Charles T. Howard.

The records show that Caleb T. Holland was enrolled January 15, 1862, and was mustered into service February 17, 1862, as a private of Company E, Sixtieth Illinois Infantry Volunteers, to serve three years. On the company muster rolls to and including the one dated April 30, 1862, he was reported present. On the company muster roll dated June 30, 1862, he was reported furloughed for 20 days from May 16, absent without leave. On the subsequent muster roll to and including the one dated December 31, 1863, he was reported present. He reenlisted February 18, 1864, as a veteran volunteer, in the same organization, and deserted April 18, 1864, near New Albany, Ind. While absent in desertion he was again enrolled July 20, 1864, under the name of Charles T. Howard, and was mustered into service August 5, 1864, as a private of Company B, First Indiana Heavy Artillery Volunteers, to serve three years, and he deserted June 24, 1865. The charge of desertion of June 24, 1865, has been removed, and he has been discharged to date June 24, 1865, under the provisions of the act of Congress approved July 5, 1884.

Applying to this department for removal of the charge of desertion and for an honorable discharge as a member of Company E, Sixtieth Illinois Infantry Volunteers, in an affidavit executed August 17, 1891, Holland, a resident of Marion, Ill., testified:

"That he served faithfully until on or about the 25th day of April, 1864, when, without any intention of deserting, he left the regiment under the following circumstances: 'Because of the intense hatred Capt. Stephen H. Fogarty had for me, together with the severe punishment he inflicted upon me. At Gosport, Ind., one of my comrades knocked in the head of a barrel of whisky and as the boys marched by would dip their canteens or coffeepots into the barrel and fill them with the liquor. The captain standing by uttered not a protest until I dipped my canteen into the barrel, when he drew his sword and remarked, 'Damn you, I have been waiting for a chance at you,' and would have struck me but for me stepping to one side and drawing my gun on him. He ran and sent a squad of men to arrest me. By this time we were on the train and as the boys informed me that I was to be arrested and court-martialed, I stepped off the train and made my way to the nearest Union troops.

Mr. HUMPHREY of Washington. Mr. Chairman, I do not know that I want to make the point of no quorum, but I want to call the attention of the House to the number of Democrats present and the number of Republicans. This is simply a forerunner of what it will be after November next.

Mr. MCKELLAR. Does the gentleman mean to say that all the Republicans left will be those who are on the floor now? [Laughter.]

The CHAIRMAN. The Clerk will proceed with the reading.

The Clerk read as follows:

"'I reenlisted at Indianapolis in Battery B, First Indiana Heavy Artillery, on or about June 4, 1864, and was honorably discharged from same on or about June 28, 1865, under the name of C. T. Howard.'"

In an affidavit executed June 6, 1912, he again testified as follows:

"That he enlisted January 15, 1862, in Company E, Sixtieth Regiment Illinois Infantry Volunteers, and reenlisted as a veteran in the same company and regiment February, 1864, and continued to serve in said Company E, Sixtieth Regiment Illinois Infantry Volunteers till the 18th day of April, 1864, at which time left his command on account of the enmity of his captain against him and the ill treatment received at his hands; that he again enlisted under the name of Charles T. Howard on the 20th day of July, 1864, in Company B, First Regiment Indiana Heavy Artillery, and was discharged to date June 24, 1865, and having been absent less than four months from Company E, Sixtieth Regiment Illinois Infantry, Volunteers, and having served faithfully under his second enlistment and honorably discharged therefrom; and said second enlistment was not made for the purpose of securing bounty or other gratuity that he would not have been entitled to under his enlistment; that he makes this application for the purpose of having the charge of desertion against him, on the rolls of Company E, Sixtieth Regiment of Illinois Infantry Volunteers, removed and receiving a discharge or certificate of honorable service under section 3, act of March 2, 1899."

Application for removal of the charge of desertion and for an honorable discharge in the case of this soldier as a member of Company E, Sixtieth Illinois Infantry Volunteers has been denied, and now stands denied, for the reason that his service under his reenlistment in the First Indiana Heavy Artillery Volunteers was not faithful, which fact precludes favorable action under the provisions of the act of Congress approved March 2, 1889 (25 Stat. L., 869), the only law in force governing the subject of removal of charges of desertion.

Respectfully submitted.

GEO. ANDREWS,
The Adjutant General.

WAR DEPARTMENT,
THE ADJUTANT GENERAL'S OFFICE,
May 23, 1914.

The honorable the SECRETARY OF WAR.

STATE OF ILLINOIS, *Williamson County, ss:*

Caleb T. Holland, being duly sworn, on his oath doth say that he is the identical Caleb T. Holland who enlisted as a private in Company E, Sixtieth Regiment Illinois Volunteer Infantry, in the war of 1861–1865. That he was born in Monongalia County, W. Va., July 28, 1845. That his parents were people of limited means, and had to contend with the adversities of life by manual labor. That his father engaged in making brick—the old-fashioned hand made and sun-dried sand brick, usually burned in a hand-set kiln with firewood, this being the kind of brick of which houses were built 40, 50, and 60 years ago.

Affiant says that his boyhood and youth was occupied in manual labor in assisting to support his father's family; that his educational advantages were meager, extending only to reading and spelling.

Affiant says that his father was an ardent advocate of the Union cause. Affiant says that the southern sentiment was very strong among the people of Marion; in fact, the prevailing sentiment of the citizens of Marion was with the cause of the South. These were the conditions with which affiant was surrounded. And affiant, with other young boys of the country and city, enlisted in the Union Army, in Company E, Sixtieth Illinois, as above stated, January 15, 1862, when he had turned his 17th year, being but 16 years 5 months and 7 days old.

Affiant says that he was mustered into said company and regiment at Anna, Ill., about the 17th of February, 1862; and without encumbering this statement with a history of his services and privations and hardships, would state that with the exception of about six weeks or two months in the months of March and April, 1862, he was sick with typhoid-pneumonia at Cairo, Ill., in the United States hospital, for a time, and his father came and brought him to Marion, Ill., and nursed him back to health.

He returned to his regiment in the spring of 1862, after he had recovered from said sickness.

About three fourths of the regiment reenlisted as veterans and were granted a furlough home from Centralia, Ill., about the 6th of March, 1864.

Affiant says that unfortunately for himself and many other of his comrades they captured a man down at Hickman, Ky., by the name of Stephen Fogarty, who had been in the rebel army and had had experience as a drillmaster. He became first lieutenant and afterwards captain on account of his knowledge of "company drill" and military tactics. He was an Irishman, and was much given to drink of intoxicating liquors, and in addition to that he was abusive to his men, especially so when under the influence of intoxicating liquors, which he was most of the time. Affiant says that it impressed him, this affiant, that he became the object of the said Fogarty's malice and ill-will, and further, he had oppressed affiant with his power to the extent of punishing affiant in various ways by putting affiant on extra duty, both in the camp and on the picket, making him perform police duty in the camp, clearing up the camp, digging up stumps in the camp and on the parade ground, putting him in the guardhouse for days and nights, apparently because he had the power to do so. Affiant being young in years and experience, became frightened with dread and was living in a state of continued fear of bodily injury or punishment.

Affiant says that it was on the return to the front with the veterans in April, 1864, while going through the State of Indiana at a place on the railroad called Gosport that affiant understood that there was a barrel of "rum" on the platform and some of the soldiers had knocked the head of the barrel in, and appropriated some of the liquor. This seemed to make Capt. Fogarty very angry, and without any evidence or proof accused this affiant of the act in the most threatening manner, and in a way impressed affiant that he intended to carry out his threats, told affiant that he was going to have him court-martialed and sent to prison as soon as the regiment landed at their destination. Affiant denied the charge and offered to prove his innocence, but of no avail. He would not listen to him.

This was the condition that affiant was in when the train got to Mitchell, Ind. Affiant had no intention of deserting or quitting the service, but determined to leave the command and be relieved of the abuse and oppressiveness of Capt. Fogarty. That he did not return to his home in Illinois, but went to Indianapolis, Ind., and enlisted in Company B, First Indiana Volunteer Heavy Artillery, with which he served until the close of the war.

After the close of the war he went into the pine woods in the State of Mississippi and worked with sawmills in different capacities until April 10, 1868, when he came back to Marion, Ill., the place that he started from when he first enlisted, and has been living in Marion ever since. Affiant says that many years ago he in good faith employed a pension attorney to straighten up his military record, and he thought he had done so. Affiant, not being versed in these matters, was surprised to learn that his record as a private in Company E, Sixtieth Illinois, did not show that he had been honorably discharged. He received a discharge when he reenlisted as a veteran. Affiant says that during the time since the war he has held various positions of trust and honor in said city and county; that he has held the position of chief of police of Marion for four different terms, the position of constable for 16 years, deputy sheriff of Williamson County for 2 years, and justice of the peace for 8 years; that he has always been an advocate of law and order. He respectfully submits the foregoing to the kind consideration of the officers having charge of the records of the Union soldiers and respectfully asks that he may receive that degree of honorable recognition to which he feels that he is justly entitled.

CALEB T. HOLLAND.

Subscribed and sworn to before me by the above-named Caleb T. Holland this 26th day of April, A. D. 1913.

And I hereby certify that I have been personally and well acquainted with the affiant, Caleb T. Holland, continuously since 1868. Will further state that Caleb T. Holland is a man of good character, has a good reputation for peaceableness, honesty, and truth. I further certify that I am not related to Caleb T. Holland, either by blood or affinity, and that I have no interest whatever in his application for honorable discharge further than to give testimony as to his standing and reputation as a citizen.

[SEAL.]

GEO. W. YOUNG,
Notary Public, Marion, Ill.

Mr. MANN. I will ask unanimous consent that the remainder of the report may be printed in the RECORD without reading.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the remainder of the report may be printed in the RECORD without reading. Is there objection?

Mr. MCKELLAR. Being very anxious to expedite the transaction of business, I shall not object.

The CHAIRMAN. Is there objection?

There was no objection.

The remainder of the report is as follows:

STATE OF ILLINOIS, *Williamson County, ss:*

Sion M. Otey, William Hendrickson, and James P. Copeland, each for himself being duly sworn, say that they were members of Company E, Sixtieth Illinois Volunteer Infantry. They were personally well acquainted with Caleb T. Holland, who was a private in said company and regiment. Said Holland made a good soldier. Affiants say they were familiar with the treatment said Holland received at the hands of Capt. Stephen Fogarty, who for a time was the captain of said company, and we know that Capt. Fogarty was ill and abusive and overbearing toward said Holland from about June, 1862, until said Holland left the command.

Capt. Fogarty was a bad man and was universally disliked by the members of Company E on account of his overbearing and tyrannical disposition; he had an ungovernable temper and was very much addicted to drinking intoxicating liquor, which at times caused him to become reckless and very unreasonable and oppressive in his conduct toward the members of the company and especially toward Comrade Holland. Of course, there was considerable talk among the men about the way Capt. Fogarty treated and abused Comrade Holland, as well as some others, upon various occasions and in different ways. It seemed like he had a pique or grudge at him, and often inflicted unnecessary and cruel punishment upon him, considering the age and experience of said Holland. And affiants further say that when Holland left the command at Mitchell, Ind., they never heard of anyone who blamed him for so doing. Affiants further say that said Holland was always ready to do his duty when called upon; he was no shirk. And after two years' service he reenlisted as a veteran, and we honestly believe that if he had received anything like considerate treatment at the hands of his captain he would have served honorably and faithfully to the end of the service.

They are not related to said Holland and they make the foregoing statements from personal knowledge and observation of the events and facts as they actually occurred at the time, and that justice may be done a good man and a good soldier.

WM. HENDRICKSON.
JAMES P. COPELAND.
SION M. OTEY.

Subscribed and sworn to before me this 26th day of April, A. D. 1913. I am not interested in this matter and I am personally and well acquainted with all the above-named witnesses, and they stand above reproach for honor, sobriety, and truthfulness.

GEO. W. YOUNG, *Notary Public.*

(Copy of original affidavit on file with the Commissioner of Pensions.)

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill.

Mr. MANN. Mr. Chairman, I move to amend by adding at the end of the bill the following proviso:

Provided, That no back pay, bounty, pension, or other emolument shall accrue by reason of the passage of this act.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend by adding at the end of line 10 the following:

"*Provided*, That no back pay, bounty, pension, or other emolument shall accrue by reason of the passage of this act."

The amendment was agreed to.

Mr. MCKENZIE. I move that the bill be laid aside to be reported to the House with a favorable recommendation.

The motion was agreed to.

The CHAIRMAN. The Clerk will report the next bill.

HERMAN VON WERTHERN.

The Clerk read the bill (S. 2472) for the relief of Herman von Werthern, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Herman von Werthern, late captain of Company K, Second Regiment Louisiana Volunteer Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as of the date of September 7, 1864, upon condition that no pay or compensation shall accrue by reason of the passage of this act.

Mr. GARD. Mr. Chairman, this is a bill which comes over from the Senate, and is for the relief of Herman von Werthern. The facts, briefly stated, are that Mr. von Werthern came to the United States in 1862 from Prussia, and immediately enlisted in the Civil War. After a service of some time he resigned because of his inability to understand the English language. He was requested to reenlist because of his knowledge of military tactics, which he did, and served until 1864, at which time there was proposed a combination of two Louisiana regiments, and, owing to some dissatisfaction concerning the reorganization, a number of the officers were impelled not to attend the conference concerning the reorganization or combination, and von Werthern was one of those officers. For this all were court-martialed and dismissed; but this disability has been long removed from all the others, so the report states, and we are now asked to remove the disability from von Werthern, whose sole crime in a military sense was that he did not attend a meeting called to effect a consolidation, the reason assigned by the officers, including von Werthern, being that they did not wish to leave a regiment of full number and lose their military identity in another regiment whose recruited strength was in doubt, and which, as a matter of fact, never was filled.

I reserve the remainder of my time.

Mr. MANN. Mr. Chairman, this man, Herman von Werthern, is reported as having been mustered into the service September 9, 1862, as a second lieutenant of Company I, One hundred and thirty-first Regiment New York Volunteer Infantry, to serve three years, and was transferred afterwards to Company D of the same regiment. He tendered his resignation in a letter dated at Alexandria, La., May 15, 1863, on the ground that his imperfect knowledge of the English language rendered it extremely difficult for him to perform the duties of an officer; and, second, that being an officer in the Prussian Army, having a furlough for two years, which would expire September 1, 1863, it became necessary that he should report to the Prussian war department on or before that date.

If he had been in the Prussian Army as an officer for two years, you would think he would have known enough to know whether he ought to enlist in the United States Army for three years and what his status would be. He was accordingly discharged from the service as second lieutenant, Company D, One hundred and thirty-first New York Volunteers, in special order No. 126, May 30, 1863, when he received his copy of the order of the discharge, and he was finally paid to include November 11, 1863.

Although he had received his discharge before completing a three-year enlistment, because he said he was required to report to the Prussian war department, he was, shortly after receiving his discharge, commissioned provisionally by Gen. Banks as first lieutenant, Company G, Second Regiment Louisiana Volunteer Cavalry, December 28, 1863, and was mustered into the service as such at New Orleans April 30, 1864, to serve three years, and is shown to have commanded a squadron of such regiment from May 20 to June 4, 1864.

While no record evidence was found of his service as captain of Company K, testimony has been submitted to the effect that he was commissioned as captain August 20, 1864, and that he performed the duties of captain until September 7, 1864, when he was dishonorably dismissed from the service. The circumstances of his dismissal are somewhat peculiar. Remember, he had first enlisted for a term of three years and had gotten a discharge on the ground that he was a Prussian officer and was required to report to the Prussian war department. Then he again enlisted for another term of three years immediately after getting his discharge, but there was trouble about the new regiment. These were Louisiana regiments. They were short of men, and at New Orleans, in August, 1864, Gen. Canby, in charge, directed a consolidation of the First and Second Louisiana Cavalry in orders which were issued.

This claimant on his second enlistment had enlisted in the Second Louisiana Cavalry. The orders were that "the First and Second Regiments of the Louisiana Cavalry will be consolidated as the First Louisiana Cavalry. To this end the enlisted men of the Second Louisiana Cavalry will at once be transferred to the First Louisiana Cavalry, and the commanding general, Nineteenth Army Corps, will convene a board of examiners before whom the officers of each regiment shall appear for examination."

This board met and proceeded to examine the officers of these regiments who presented themselves. But the officers of the second regiment, including this man who had been in the Prussian Army, who had enlisted twice in the United States Army, who served for a short period only under the first enlistment, did not like the order consolidating the two regiments. The general commanding had not asked this man whether he ought to consolidate the two regiments. It is true there were not enough men and officers in the two regiments to make more than one regiment, but the commanding officer had not consulted this officer and had not even consulted the privates in the regiment as to whether the two regiments should be consolidated. The officer disapproved of the consolidation. So, pouting and huffy, he formally declined to appear before the board of examination. He declined to appear along with some other officers of the regiment. Some of them sent this statement addressed to Gen. Davidson, the president of the board of examination:

BATON ROUGE, LA., *August 30, 1864.*

Brig. Gen. J. W. DAVIDSON,
President Board of Examination.

GENERAL: We, the undersigned officers of the Second Louisiana Cavalry, do most respectfully decline to appear before the board of examination, of which you are president, convened at Baton Rouge, for examination for positions in the First Louisiana Cavalry for the following reason, viz: That we do not wish positions in the First Louisiana Cavalry. We are, General, with great respect,

Your obedient servants, etc.

_____.

Not having been asked as to whether the regiments should be consolidated they wished to treasonably in time of war express their contempt for the commanding officers and did it in this way.

The result was that in special orders issued by the military headquarters of the Division of West Mississippi, dated September 7, 1864, these officers, or some of them, were—

dishonorably dismissed the service of the United States for declining to appear before a board of examiners convened for the purpose of determining the officers best qualified to be retained in the consolidation of the First and Second Louisiana Cavalry.

In paragraph 4 of the same orders all of the 19 officers who signed the paper dated August 30 (including Capt. Werthern), were also—

dishonorably dismissed the service of the United States for combining to subvert the action of a board of examination convened to determine the officers best qualified to be retained in the consolidation of the First and Second Louisiana Cavalry, and for declining to appear before the same for examination.

Here was a case where two regiments had been raised during the war in Louisiana for military reasons. For good reasons the regiments were ordered consolidated. To refuse to obey these orders was sufficient ground for being shot. Probably this man ought to have been shot. It was open contempt for his superior officer.. He declined to obey the orders, and then was gotten off as lightly as could be with a dishonorable discharge.

This was no boy fresh from the country. Here was a man who had been two years in the Prussian Army as an officer, who had two enlistments in the volunteer forces of the United States. In the thick of the battle, as it were, and practically what was the enemy's country, he declined to obey orders and expressed his open contempt for military authority.

Mr. SAMUEL W. SMITH. Will the gentleman yield?

Mr. MANN. Yes.

Mr. SAMUEL W. SMITH. Does not the gentleman think that this case is of sufficient importance to have a quorum present?

Mr. MANN. I hope the gentleman from Michigan will not make the point of no quorum. I realize the fact that on bills of this kind it is not to be expected that all the Members of Congress will give attention to them. Necessarily, there is only a comparatively small portion of the membership of the House who will take an interest in private bills.

Now, I do not think bills of this kind should pass. It is true that the committee, in reporting this bill, says:

With this record of facts before us it would be difficult to understand how the Government of the United States could refuse to grant the petition of this veteran, whose error, if it could be termed an error, consisted only in joining fellow officers in a petition for what they conceived to be justice, and which error has been condoned in the individual cases enumerated, and the subsequent elevation of those equally in error to places of honor among the officers who fought for what they conceived to be right during the War between the States.

That is the recommendation of the Senate committee giving the best excuse that it could, but the fact is that this man, old

enough to know better, an officer in two armies, deliberately decided to flaunt in he faces of his military commanders their orders and to decline to obey them, and for that he received a dishonorable discharge, which he was entitled to have.

Mr. J. I. NOLAN. Mr. Chairman, the petitioner in this case is a constituent of mine, a resident of my congressional district. I have met the old gentleman on a number of occasions and am quite familiar with the circumstances of his case. I have read a good many letters which he has written to Members of Congress in times gone by, and to the President of the United States and to committees of both Houses of Congress that at various times have considered his case. The old man at the present time is over 86 years of age, feeble, and almost blind, and if his record is corrected it would just about give him an opportunity to end the rest of his days in peace. He can not live a great many years longer. If he is given a pensionable status and should secure a pension he will not live for any length of time to enjoy it.

There are some matters in connection with the case that ought to be brought to your attention. The Senate committee thinks it is a very meritorious case, one in which justice has been long delayed. Capt. von Werthern is in San Francisco, 86 years old, feeble, and nearly blind. He enlisted September 9, 1862, and at his own request he received a discharge from that first enlistment on November 11, 1863. On his first enlistment, in the New York Volunteers, he served about 14 months. During this time he was on furlough from the Prussian Army, and while it is true his furlough was for two years when he enlisted, he had to enlist for three years, and in order to be in a position to report to his former command, he, at his own request, was given an honorable discharge from the One hundred and thirty-first New York Volunteers.

As soon as matters were arranged so that he could again reenlist he joined the Second Louisiana Cavalry Volunteers as first lieutenant December 28, 1863, and served with the regiment until he was dishonorably discharged to September 7, 1864, during which service he was promoted to captain.

It seems that Capt. von Werthern, along with 22 other officers of the Second Louisiana Cavalry, was ordered to appear before an examining board after the First and Second Louisiana Cavalries were ordered to be consolidated. The facts are as follows: There were 11 companies of the Second Louisiana Cavalry, and the twelfth company was in process of formation. The First Louisiana Cavalry had less than 300 men mustered into the service and less than 150 men at that time present fit for duty. In other words, the Second Louisiana Cavalry, of which this man was an officer, had 11 full companies formed in the service and the twelfth about in process of formation. They were ordered to appear before an examining board to determine as to whether they should be classified in the consolidation as officers of the regiment. The men, from the colonel down, thought an injustice had been done them, owing to the fact that Col. Keily, who commanded that regiment, spent one year of his time and a good deal of his money in recruiting the Second Louisiana Cavalry. The men were loyal to their commander, and all they did at that particular time was to refuse to obey the order to appear before the examining board. They thought they had that right and that it was not disobedience of orders. Col. Keily, the commanding officer of the Second Louisiana Cavalry, was subsequently court-martialed for disobedience of orders, and on that the report reads as follows:

It appears from the report of the War Department that Capt. Keily, or Col. Keily, who helped to raise, at great expense to himself, the Second Louisiana Cavalry under conditions mentioned in the petition, was tried before a general court-martial upon the charges of "exciting a sedition," "conduct unbecoming an officer and a gentleman," and "conduct to the prejudice of good order and military discipline," the specifications to the charges being to the effect that "he, while acting as colonel of said regiment, refused to appear before the examining board and urged and incited certain of his subordinate officers (the 22 before mentioned) to sign and present to said board of officers a certain seditious paper, with the intent to impair and set at defiance the authority of the said board and of the general officers by whose orders it was convened and to defeat the object for which the said board was called.'"

Col. Keily was acquitted of the charges, and the proceedings and findings were approved and promulgated by Gen. Canby October 13, 1864.

It also appears in the report of the War Department that several special orders were issued by Gen. Canby, dated, respectively, November 14, October 29, October 19, and November 26, 1864, revoking or purporting to revoke, so much of his order of September 7, 1864, as dishonorably dismissed Maj. Juste Fontaine, Capt. Ashburn, and Lieuts. Lester and McBeth, and dishonorably discharging them to date September 7, 1864, on their respective petitions for relief indorsed by their division commander.

It does not appear from the records whether Capt. von Werthern applied for relief or not at that time.

Col. Keily was subsequently breveted brigadier general of Volunteers. This man, who was alleged to have been one of the chief instigators of this disaffection, and who was tried by court-martial and acquitted and was afterwards breveted brigadier general of Volunteers, under date of October 17, 1864, wrote Capt. Herman von Werthern as follows:

"I deem it only my duty to bear testimony to your conduct as an honorable, high-toned officer and gentleman.

"In the field you have exhibited the true qualifications that a good officer should possess—bravery, intelligence, and fidelity. You have also had a long experience in service, and I well recollect when our first acquaintance was made in Italy, during the defense of Ancona. We fought for honor then; we could do no more.

"I very much regret that the service will lose in you a good officer and I a reliable comrade. Wishing you every success,

"I am, very truly, your sincere friend,

"D. J. KEILY,
"Colonel Second Regiment Louisiana Cavalry."

Mr. TALCOTT of New York. Was that after the order of dishonorable discharge?

Mr. J. I. NOLAN. That was after the order of dishonorable discharge that Col. Keily was tried for seditious conduct and acquitted. He was the colonel of the regiment who, with these other 22 men, refused to appear before the examining board, feeling that an injustice was being done them, inasmuch as their regiment constituted 11 cavalry companies, with the twelfth about formed, and the First Louisiana Cavalry, for which this consolidation was ordered, contained only 300 men all told, with 150 available for immediate duty.

Mr. GARD. Mr. Chairman, will the gentleman yield?

Mr. J. I. NOLAN. Certainly.

Mr. GARD. And is it not true, also, that this Col. Keily was acquitted of this charge of sedition?

Mr. J. I. NOLAN. By general court-martial; and he was afterwards brevetted brigadier general of volunteers.

This man, Capt. von Werthern, is 86 years old. He is very feeble and is almost blind. He is very much affected by and interested in the passage of this bill. A short while ago this proposition came up on the Calendar for Unanimous Consent. At that time the bill was objected to, and it went over. He happened to see that in the RECORD. I did not deem it worth while to acquaint him with the facts at the time, as I felt the bill would be reached in time on the Private Calendar. He wrote to me, and he thought that his opportunity for having his record straightened out had gone by and that he would have to try all over again in the next Congress.

I think this is an act of simple justice to this man. While it is a fact that he had been an officer in the Prussian Army, and probably should have known a great deal better, the very fact that Col. Keily was tried by court-martial and acquitted for the same offense, and afterwards had honors heaped upon him by the United States Government, makes me feel that this bill ought to be passed; and, more than that, it shows that there is great merit in the claim that an injustice was done the officers of the Second Louisiana Cavalry in the way they were deprived of their rightful command.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

Mr. J. I. NOLAN. Yes.

Mr. GOULDEN. What was the length of service of this Capt. Von Werthern?

Mr. J. I. NOLAN. His first service dated from September 9, 1862, to November 11, 1863.

Mr. GARD. December, 1863, to June, 1864.

Mr. J. I. NOLAN. Along about in 1864. You might say that his service altogether was from September 9, 1862, until the middle of the year 1864. Mr. Chairman, I trust the committee will lay the bill aside with a favorable recommendation that it do pass.

Mr. HAYES. Mr. Chairman, I know the old gentleman who is the subject of this legislation, and know all of the facts, having investigated them some years ago. The only offense that this man, with the other officers, can be charged with is perhaps a little overloyalty to his colonel. They thought the colonel was being illtreated, and they petitioned the department to prevent what they thought was going to be an injustice, and for this they were dishonorably discharged. That is all it amounts to, and all of the 22 officers have been restored; that is, they have been given an honorable discharge, excepting four, two of whom are now dead. It would be a simple act of justice, it seems to me, to give this old man an honorable discharge and let him have the satisfaction—because that is all it amounts to—of having his record cleared up, after having tried for years to have it done. I hope the House will pass the bill.

Mr. STAFFORD. Mr. Chairman, in reading the report there was one fact that struck me very forcibly, and that was the acquittal by court-martial, at the time of the occurrence, of the colonel of the regiment. Here was the colonel of this Second Regiment of Volunteer Cavalry, with these 19 officers, who protested against being merged into the First Regiment of Cavalry and having their commands superseded upon an examination, when they had a full complement of men in their own regi-

ment, and there was a very small complement of men in the First Cavalry. The colonel, who was supposed to be the instigator, supported by the various officers of the companies, of which Von Werthern was one, was court-martialed immediately as being one of the head offenders, but he was acquitted, and subsequently, within a couple of months thereafter, others under general orders were restored to the service; but these other men, without having been given the opportunity of trial by court-martial, were summarily discharged, were not given the opportunity of resigning. I join with my two colleagues from California and with the gentleman who made the report upon this bill and who made such a succinct statement of the facts in believing that this is a meritorious case, long delayed, and worthy of recognition.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Herman von Werthern, late captain of Company K, Second Regiment Louisiana Volunteer Cavalry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as of the date of September 7, 1864, upon condition that no pay or compensation shall accrue by reason of the passage of this act.

Mr. MANN. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. The question is on the motion of the gentleman from Illinois to strike out the enacting clause.

The question was taken; and on a division (demanded by Mr. MANN) there were—ayes 7, noes 23.

So the motion was rejected.

Mr. GARD. Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

Mr. WILLIS. Mr. Chairman, before the gentleman does that I want to ask my colleague a question. Does the gentleman think——

Mr. HAY. Mr. Chairman, this motion is not debatable.

The CHAIRMAN. The motion is not debatable.

Mr. WILLIS. Mr. Chairman, I move to strike out the last word.

Mr. HAY. Mr. Chairman, I make the point of order the gentleman can not move to strike out the last word.

The CHAIRMAN. The point of order is sustained.

Mr. MANN. Before the Chair sustains the point of order I desire to suggest that the gentleman can not move to lay a bill aside with a favorable recommendation and cut off all amendments to the bill.

Mr. HAY. But nobody was on his feet seeking recognition.

Mr. MANN. I beg the pardon of the gentleman from Virginia, but the gentleman from Ohio [Mr. WILLIS] was on his feet seeking recognition from the Chair.

Mr. GARD. Mr. Chairman, I would be very glad to answer any question the gentleman may desire to ask.

The CHAIRMAN. If the gentleman was on his feet asking recognition——

Mr. McKELLAR. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to put his question.

Mr. GARD. I would be pleased to answer any question the gentleman desires to ask.

Mr. MANN. It is not necessary to ask unanimous consent.

Mr. WILLIS. I simply desire to ask the gentleman the question whether this language in lines 10 and 11 is sufficient to accomplish the purpose which the committee evidently had in view? This is not in the usual form at all.

Mr. GARD. I have not the bill before me.

Mr. WILLIS. It reads "no pay or compensation shall accrue by reason of the passage of this act." I am not at all opposed to the bill, but it seems to me the provision ought to be in the usual form, so it would read "no back pay, bounty, pension, or other emolument shall accrue by the passage of this act." Is not that what is in mind by the proviso?

Mr. McKELLAR. Why does not the gentleman offer the amendment? He has that right.

Mr. WILLIS. Mr. Chairman, I move to amend by inserting, after the word "no" in line 10, the word "back," so it will read "no back pay," and after the word "or" insert the words "bounty, pension, or other emolument" and strike out the word "compensation." That makes the language in the usual form.

Mr. GARD. It is intended to convey the idea that no back pay shall come to this man.

Mr. WILLIS. I take it that is the purpose of the bill.

Mr. GARD. We have no objection to the amendment of the gentleman.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Line 10, after the word "no," insert the word "back," and after the word "pay" insert the words "bounty, pension, or other emolument," and strike out the word "compensation."

The question was taken, and the amendment was agreed to.

Mr. GARD. Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

The question was taken, and the motion was agreed to.

So the bill was ordered laid aside with a favorable recommendation.

Mr. GARD. May I ask that the bill immediately preceding this one be reported by the Clerk.

Mr. MANN. No; the one immediately following.

Mr. GARD. The one immediately preceding was passed over and not reported.

Mr. MANN. That is not a desertion bill.

Mr. GARD. Technically it is not a desertion bill; I am free to admit that.

The CHAIRMAN. The bill was passed over under the rule.

AARON S. WINNER.

The next business in order on the Private Calendar was the bill (S. 725) to correct the military record of Aaron S. Winner.

The Clerk read as follows:

Be it enacted, etc., That in the administration of the pension laws Aaron S. Winner, who was a private in Company H, One hundred and forty-ninth Regiment Indiana Volunteer Infantry, shall hereafter be held and considered to have been discharged honorably from the military service of the United States as a member of that company and regiment on the 25th day of July, 1865.

Mr. McKELLAR. Mr. Chairman, I ask that the bill be read for amendment.

The bill was read.

Mr. McKELLAR. Mr. Chairman, I move to amend the bill by inserting after the words "sixty-five," line 9, page 1, the following: "*Provided*, That no back pay, bounty, allowance, or other emolument shall accrue by reason of the passage of this act."

Mr. MANN. The Clerk has the exact language at the desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 1, line 9, after the words "sixty-five" insert the following: "*Provided*, That no back pay, bounty, pension, or other emolument shall accrue by reason of the passage of this act."

The question was taken, and the amendment was agreed to.

Mr. McKELLAR. Mr. Chairman, I move that the bill be laid aside with a favorable recommendation.

The motion was agreed to; accordingly the bill was laid aside with a favorable recommendation.

Mr. MANN. Mr. Chairman, it will take some little time to pass the bills in the House, and I submit that there is no quorum present.

Mr. McKELLAR. Mr. Chairman, I move that the committee do now rise and report the bills with the recommendation that the amendments be agreed to and that the bills as amended do pass.

The motion was agreed to; accordingly the committee rose, and the Speaker having resumed the chair, Mr. RAINEY, Chairman of the Committee of the Whole House, reported that that committee, having had under consideration sundry bills on the Private Calendar, some with amendments and some without, they had been ordered to be laid aside with a favorable recommendation and he had been directed to report the same to the House with the recommendation that the amendments be agreed to and that the bills as amended do pass.

MILES A. HUGHES.

Mr. MANN. Mr. Speaker, I would like to submit possibly a parliamentary inquiry: I am not sure whether it is one or not. House bill 14711, No. 403 on the Private Calendar, for the relief of Miles A. Hughes, is a bill in which the gentleman from Kentucky [Mr. FIELDS] is interested. It is now on the Private Calendar, but according to my notes it was passed on August 1 last. I would like to inquire if the Clerk still has that bill up there as not passed?

The SPEAKER. The Chair has no information but what the Clerk says.

Mr. McKELLAR. I have no recollection of that.

Mr. MANN. I think we passed that bill.

The SPEAKER. That bill passed the House August 1.

Mr. FOSTER. It is so marked on the calendar, Mr. Speaker.

Mr. MANN. If that is correct, I would like to have it stricken from the Private Calendar.

The SPEAKER. Of course, it ought to be taken off the Private Calendar, and it will be so done.

VETO MESSAGE—POSTAL SAVINGS SYSTEM (H. DOC. NO. 1162).

The SPEAKER laid before the House the following message from the President of the United States, which was read:

To the House of Representatives:

I return herewith House bill No. 7967, entitled "An act to amend the act approved June 25, 1910, authorizing a postal savings system," without my approval.

With most of the provisions of the bill I am in hearty accord. They are admirably conceived, and the changes of law which they propose would undoubtedly be very beneficial to the postal savings system; but a portion of section 2 seeks to make a change in the Federal reserve act of last December which I venture to regard as unwise.

When the Federal reserve act was passed it was thought wise to make the inducements to State banks to enter the Federal reserve system as many and as strong as possible. It was therefore provided in the act that Government funds should be deposited only in banks which were members of the Federal reserve system. The principle of such a provision is sound and indisputable. The moneys under the control of the Government ought to be placed only in those banks which are most directly under the supervision and regulation of the Congress itself. It was recognized also that the scattering of Government deposits in small amounts among too large a number of banks would in time of stress be of decided disadvantage to the Federal reserve system which seeks as much as possible to mobilize the financial resources of the country under one control. The bill which I now return repeals that provision so far as it might apply to funds accumulated in the hands of the Government under the postal savings system. It is in this provision of the bill that I find myself unable to concur.

It is my clear conviction, very respectfully urged and submitted, that as a matter of principle as well as of policy we should strengthen and safeguard the new banking system very jealously with a view to the ultimate unification of the entire banking system of the country under the supervision of the Federal Reserve Board. It would, in my judgment, be a grave mistake to take away any of the benefits or advantages held out by the present law to member banks to enter the system, and take them away just as the system is about to be put into operation and the promises of the act of last December made good to the banks that have entered.

I am not insensible of the inconvenience which some banks might suffer if the postal savings funds were withdrawn at this particular time, though the law itself, of course, conveyed notice of that removal fully nine months ago I am not sure that the Federal Reserve Board would not be justified under the terms of the law as it now stands in exercising a certain liberal discretion in determining the time and the rate at which deposits should be withdrawn from banks not within the system. But assuming that there has not been notice enough and that the withdrawal would of necessity be rapid or immediate, I venture to suggest that the otherwise admirable bill which I now return might be amended, and might, because of the financial circumstances now temporarily existing, be very advantageously amended, to extend for another 12 months the period within which banks not members of the Federal reserve system must surrender the deposits of the Government. May I take the liberty of suggesting that this be done? It would remove from this bill the only feature which seems to me incompatible with sound public policy.

WOODROW WILSON.

THE WHITE HOUSE,
September 11, 1914.

The SPEAKER. The veto message is ordered printed and referred to the Committee on the Post Office and Post Roads.

Mr. MANN. The Speaker has not the power to refer it.

The SPEAKER. What is the reason?

Mr. MANN. The Constitution provides that we are to vote.

The SPEAKER. The Chair knows that; but that does not mean that it must be done instantly. The gentleman from Tennessee [Mr. MOON], chairman of the Committee on the Post Office and Post Roads, may make a motion.

Mr. MOON. Mr. Speaker, I move that the message and the bill be printed and referred to the Committee on the Post Office and Post Roads.

Mr. BURKE of Pennsylvania. Mr. Speaker, under the Constitution the House is bound to consider it.

Mr. MANN. It has been repeatedly held, Mr. Speaker, that the House can refer it by motion. It is not one of those things that the Speaker has the power to refer.

The SPEAKER. The Chair has not time to hunt it up, but will take the safe course. The gentleman from Tennessee [Mr. MOON] moves that the message and bill be referred to the Committee on the Post Office and Post Roads and printed.

The motion was agreed to.

BILLS PASSED.

The SPEAKER. The Clerk will report the first bill reported from the Committee of the Whole House.

The first bill reported from the Committee of the Whole House was the bill (S. 754) for the relief of Jacob M. Cooper, with an amendment.

The amendment was agreed to.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

The next bill reported from the Committee of the Whole was the bill (S. 5065) for the relief of Mirick Burgess.

The bill was ordered to a third reading, and was accordingly read the third time and passed.

The next bill reported from the Committee of the Whole was the bill (S. 1063) for the relief of Philip Cook, with an amendment.

The amendment was agreed to.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

The next bill reported from the Committee of the Whole was the bill (H. R. 17752) for the relief of Caleb T. Holland, with an amendment.

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

The next bill reported from the Committee of the Whole was the bill (S. 2472) for the relief of Herman von Werthern, with an amendment.

The amendment was agreed to.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

The next bill reported from the Committee of the Whole was the bill (S. 725) to correct the military record of Aaron S. Winner, with an amendment.

The amendment was agreed to.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. MCKELLAR, a motion to reconsider the votes by which the several bills were passed was laid on the table.

ORDER OF BUSINESS.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that on to-morrow, after the agreement entered into this morning has been fulfilled, Senate bill 6266 shall be taken up for consideration; that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of that bill; and that one hour's general debate shall be allowed, one half to be controlled by myself and the other half by the gentleman from Iowa [Mr. HAUGEN].

Mr. GARRETT of Tennessee. What is the bill?

Mr. LEVER. The warehouse bill.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that to-morrow, after the reading of the Journal and the carrying out of the special order which was made this morning, it shall be in order to call up the bill S. 6266; that the House resolve itself into the Committee of the Whole House on the state of the Union for its consideration; and that general debate shall be confined to one hour, half to be controlled by himself and the other half by the gentleman from Iowa [Mr. HAUGEN].

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

ENROLLED BILL AND JOINT RESOLUTION SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill and joint resolution of the following titles, when the Speaker signed the same:

H. R. 15613. An act to create a Federal trade commission, to define its powers and duties, and for other purposes; and

H. J. Res. 311. Joint resolution instructing American delegate to the International Institute of Agriculture to present to the permanent committee for action at the general assembly in 1915 certain resolutions.

ADJOURNMENT.

Mr. MCKELLAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until Saturday, September 12, 1914, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MANN: A bill (H. R. 18745) in relation to the location of a navigable channel of the Calumet River in Illinois; to the Committee on Interstate and Foreign Commerce.

By Mr. RUCKER: A bill (H. R. 18746) to provide revenue for the Government by increasing the tax on incomes and reducing the amount of exemptions; to the Committee on Ways and Means.

By Mr. KEATING: A bill (H. R. 18747) to reserve certain lands and to incorporate the same and make them a part of the Pike National Forest; to the Committee on the Public Lands.

By Mr. BUCHANAN of Illinois: Joint resolution (H. J. Res. 345) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. BORLAND: A bill (H. R. 18748) granting a pension to Eugene G. Burt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18749) granting an increase of pension to Fritz Voth; to the Committee on Invalid Pensions.

By Mr. CLINE: A bill (H. R. 18750) granting an increase of pension to Washington A. Coon; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 18751) granting a pension to James P. Merrifield; to the Committee on Pensions.

By Mr. JACOWAY: A bill (H. R. 18752) for the relief of Finis M. Williams; to the Committee on Military Affairs.

By Mr. PAIGE of Massachusetts: A bill (H. R. 18753) granting a pension to John K. Collins; to the Committee on Invalid Pensions.

By Mr. RUPLEY: A bill (H. R. 18754) granting an increase of pension to Samuel I. McPherron; to the Committee on Invalid Pensions.

Also, a bill (H. R. 18755) granting an increase of pension to Philip H. Sipe; to the Committee on Invalid Pensions.

By Mr. SMITH of Maryland: A bill (H. R. 18756) for the relief of Mollie H. Pumphrey; to the Committee on Claims.

By Mr. SPARKMAN: A bill (H. R. 18757) granting a pension to Nicholi L. Nelson; to the Committee on Pensions.

By Mr. WHITACRE: A bill (H. R. 18758) granting a pension to Charles H. Muncaster; to the Committee on Invalid Pensions.

By Mr. CALDER: A bill (H. R. 18759) for the relief of Samuel Gorman; to the Committee on Military Affairs.

By Mr. HOUSTON: A bill (H. R. 18760) for the relief of the heirs of Granville Pierce; to the Committee on War Claims.

PETITIONS, ETC.

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

By Mr. BAILEY (by request): Petition of citizens of Saxton, Pa., and Liberty Township, Pa., favoring national prohibition; to the Committee on Rules.

By Mr. BATHRICK: Petition of citizens of Lockwood, Ohio, favoring national prohibition; to the Committee on Rules.

Also, petition of A. R. Champney, Elyria, Ohio, against tax on "soft drinks"; to the Committee on Ways and Means.

Also, petition of citizens of the nineteenth Ohio district, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. BELL of California: Petition of Holy Cross Court, No. 1292, Catholic Order of Foresters, Los Angeles, Cal., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

By Mr. BRODBECK: Petition of Federation of Trades Unions, York, Pa., against exportation of breadstuffs, etc.; to the Committee on Interstate and Foreign Commerce.

By Mr. BRUCKNER: Petition of United Hatters of North America, Local No. 8, Brooklyn, N. Y., favoring House bill 1873, the anti-injunction bill; to the Committee on the Judiciary.

Also, petitions of F. V. Smith (Inc.), New York, and De La Vergne Machine Co., New York, against House bill 1873, the anti-injunction bill; to the Committee on the Judiciary.

By Mr. CALDER: Petition of Local Union 132, Cigarmakers' Union of America, against further tax on cigars; to the Committee on Ways and Means.

Also, petition of G. F. Kalkhoff, New York, against H. R. 17363; to the Committee on the Post Office and Post Roads.

Also, petition of Northern Lumber Co. and Board of Trade, North Tonawanda, N. Y., favoring river and harbor bill; to the Committee on Rivers and Harbors.

Also, petition of Memorial Baptist Church, Brooklyn, N. Y., favoring national prohibition; to the Committee on Rules.

Also, petition of D. R. K. Staatsverbund, of New York State, against national prohibition; to the Committee on Rules.

By Mr. EAGAN: Petition of Liquor Dealers' Protective League of New Jersey, against further tax on whisky; to the Committee on Ways and Means.

Also, petition of National Mineral Water Co., of West New York, United Bottling Co., of Union, and Fred Helmke, of Hoboken, all in the State of New Jersey, against proposed tax on "soft drinks"; to the Committee on Ways and Means.

By Mr. LOBECK: Petition of 200 citizens of Waterloo, Nebr., favoring national prohibition; to the Committee on Rules.

Also, petition of C. Vincent, Omaha, Nebr., against exportation of foodstuffs; to the Committee on Interstate and Foreign Commerce.

Also, petition of 45 merchants of Arlington, Benson, Papillion, Herman, Fort Calhoun, Kennard, Florence, Valley, Millard, Bennington, Blair, and Waterloo, Nebr., favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. MORIN (by request): Petition of John L. Porter, Pittsburgh, Pa., against House bill 17363, relative to use of mails in effecting insurance on persons, etc.; to the Committee on the Post Office and Post Roads.

Also (by request), petition of City Council of Pittsburgh, Pa., favoring Hamill civil-service retirement bill; to the Committee on Reform in the Civil Service.

Also (by request), petition of citizens of Pittsburgh, Pa., favoring amendment to section 85 of House bill 15902; to the Committee on Printing.

By Mr. PLUMLEY: Petition of 19 citizens of West Wardsboro, Vt., favoring national prohibition; to the Committee on Rules.

By Mr. PROUTY: Petition of citizens of Woodward, Ankeny, Huxley, Kelley, and Granger, Iowa, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. THOMAS: Petition of 400 citizens of Greenville, Ky., favoring national prohibition; to the Committee on Rules.

SENATE.

SATURDAY, *September 12, 1914.*

(Legislative day of Saturday, September 5, 1914.)

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

THE PEOPLE'S BANKS IN AMERICA (S. DOC. NO. 580).

Mr. FLETCHER. I ask unanimous consent, out of order, to submit a unanimous report from the Committee on Printing, and I ask for its consideration.

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

Mr. FLETCHER, from the Committee on Printing, reported the following resolution (S. Res. 453), which was considered by unanimous consent and agreed to:

Resolved, That the manuscript submitted by Mr. FLETCHER on June 26, 1914, entitled "The People's Banks in North America," by H. Mitchell, M. A., department of politic and economic science, Queen's University, Kingston, Ontario, be printed as a Senate document.

MARKETING OF FARM PRODUCTS (S. DOC. NO. 579).

Mr. FLETCHER, from the Committee on Printing, reported the following resolution (S. Res. 454), which was considered by unanimous consent and agreed to:

Resolved, That the manuscript entitled "Marketing of Farm Products," by David Lubin, United States delegate to the International Institute of Agriculture, be printed as a Senate document.

PANAMA-PACIFIC INTERNATIONAL EXPOSITION.

Mr. SIMMONS. I call for the regular order.

Mr. MARTINE of New Jersey. Will the Senator from North Carolina desist for just one moment?

Mr. SIMMONS. If it is simply the introduction of a bill I will not object.

Mr. MARTINE of New Jersey. I ask unanimous consent for the consideration of Senate bill 6454, which was introduced by the Senator from California [Mr. PERKINS], and which I report favorably from the Committee on Industrial Expositions, every member of the committee in the city agreeing to the report. It is a bill to authorize the Government Exhibit Board for the Panama-Pacific International Exposition to install any part or parts of the Government exhibit at the said exposition either in the exhibit palaces of the Panama-Pacific International Exposition Co. or in the Government building at said exposition.