pass; but it occurred to me that if it was a reenactment of existing law, a bill which was reported from the Judiciary Committee before, it ought to go to the same committee, but that if it was dealing with the general subject of immigration, it ought to go to the Immigration Committee.

Mr. BRANDEGEE. Mr. President, I have just entered the Chamber. May I inquire what the message from the House is?

Mr. KING. It is the passage of a bill.

Mr. BRANDEGEE. What is the bill?

The PRESIDENT pro tempore. It is H. R. 9782, and it is entitled "A bill to regulate further the entry of aliens into the United States."

Mr. BRANDEGEE. Mr. President, I am the chairman of a subcommittee of the Committee on the Judiciary, to which a joint resolution concerning that very question was referred. The joint resolution was introduced by the chairman of the Judiciary Committee, the Senator from Minnesota, Mr. NELSON. The Senator from Minnesota spoke to me this morning as to what should be done with the bill that was passed by the House. It is known as the passport bill, I believe.

Mr. KING. Yes.

Mr. BRANDEGEE. I told the Senator from Minnesota that he had better consult the Senator from Massachusetts [Mr. LODGE] if the question of jurisdiction between the Foreign Relations Committee and the Judiciary Committee was to be raised. They did talk together here, and I heard their conversation, from which I inferred that the Senator from Minnesota was willing that the bill should go to the Foreign Relations Committee. The Senator from Massachusetts said that that committee had always taken jurisdiction of passport matters; it comes under the State Department; and I would move that the bill be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. The bill has already been referred to the Committee on Foreign Relations.

Mr. BRANDEGEE. Very well. I thought the Senator from Utah was claiming its reference to the Judiciary Committee.

Mr. KING. I think the bill ought to go to the Judiciary Committee, for the reason that the passport bill—at least, a bill to continue its existence—was reported before by the Judiciary Committee. That committee is now considering a measure similar to this, and perhaps one that amplifies its provisions. The Immigration Committee, too, is also considering the subject, so that it would be properly referable to that committee; but in view of the statement made by the Senator I have no objection to having it referred to the Committee on Foreign Relations.

Mr. HARRISON. Mr. President, I merely want to make an observation touching this matter, in the hope that the bill will not be referred to the Foreign Relations Committee. The chairman of the Immigration Committee is not here. It appears to some of us to be a question that ought to go to the Immigration Committee. It is a question of the admission of certain aliens into the United States; and I was in hope that the matter might be held in abeyance until the chairman of that committee could be present.

The PRESIDENT pro tempore. The Chair may be permitted to say that it is subject to a motion to refer the bill to the Committee on Immigration if any Senator desires to make the motion.

Mr. BRANDEGEE. Mr. President, I did not know that there was any question about the jurisdiction of the Immigration Committee. While I think the question of passports would not come peculiarly under the jurisdiction of that committee, I ask unanimous consent that the reference be reconsidered, and that the matter lie upon the desk, undisposed of as to its reference, until the chairmen of those three committees can be on the floor.

Mr. HARRISON. That is entirely satisfactory.

The PRESIDENT pro tempore. Without objection, the reference will be reconsidered, and the bill will lie on the table.

Mr. LODGE subsequently said: Mr. President, I wish to ask that the bill (H. R. 9782) to regulate further the entry of aliens into the United States, which I understand is on the table, and which was in charge of the Committee on Foreign Affairs in the House of Representatives, be referred to the Committee on Foreign Relations. I think it belongs to that committee. I have spoken to the Senator from Minnesota [Mr. NELSON], the chairman of the Committee on the Judiciary, and also to the Senator from Rhode Island [Mr. COLT], the chairman of the Committee on Immigration, and they are both entirely satisfied that the bill should be referred to the Committee on Foreign Relations. I therefore ask that that reference be made.

The PRESIDENT pro tempore. The Senator from Massachusetts moves that the bill named by him shall be referred to the Committee on Foreign Relations. The question is on that motion.

Mr. PITTMAN. Mr. President, may I ask the Senator from Massachusetts if the chairman of the Committee on Immigration favors that course being taken?

Mr. LODGE. Yes; he has been spoken to to-day, and said he had no objection.

Mr. PITTMAN. Very well.

Mr. LODGE. The bill was reported from the Committee on Foreign Affairs in the House, and I think it involves naturally a question of foreign relations.

Mr. PITTMAN. I only asked the question because the Senator from Massachusetts was not present at the time the discussion concerning the bill took place a while ago.

Mr. LODGE. I was told that the Senator from Rhode Island had been spoken to and that he was entirely satisfied to have the bill referred to the Committee on Foreign Relations, and I myself spoke to the Senator from Minnesota, the committee of which he is chairman having a similar bill before it.

Mr. KING. I may say to the Senator that the original bill—and this is a bill to continue its existence—was reported by the Judiciary Committee of the Senate at the last session of Congress; but I have no objection to the bill going to the Committee on Foreign Relations

The PRESIDENT pro tempore. Without objection, the bill will be referred to the Committee on Foreign Relations.

ADJOURNMENT.

Mr. LODGE. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 25 minutes p. m.) the Senate, as in legislative session, adjourned until to-morrow, Saturday, October 18, 1919, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

FRIDAY, *October 17, 1919.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father who art in heaven, by whom we are continually upheld and sustained, control our minds, direct our ways, and make straight our paths, that our service may be of the highest and best, that we may ascend day by day to the higher manhood in Christ Jesus our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

Mr. DOWELL. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Iowa makes the point of order that there is no quorum present. In the opinion of the Chair no quorum is present.

Mr. DOWELL. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Iowa moves a call of the House.

The question was taken.

The SPEAKER. The ayes seem to have it.

Mr. BLANTON. Division!

The House divided; and there were—ayes 39, noes 14.

So a call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Ackerman	Ferris	Kennedy, Iowa	Nicholls, S. C.
Andrews, Md.	Fess	Kennedy, R. I.	Ogden
Anthony	Fields	Kiess	Olney
Barkley	Frear	Kincheloe	Overstreet
Begg	Fuller, Ill.	LaGuardia	Paige
Booher	Fuller, Mass.	Langley	Parker
Brand	Gallivan	Larsen	Pell
Brinson	Gandy	Lee, Ga.	Peters
Britten	Godwin, N. C.	Little	Porter
Caldwell	Goldfogle	McAndrews	Rainey, H. T.
Campbell, Kans.	Goodall	McClintic	Rainey, Ala.
Caraway	Goodykoontz	McCulloch	Ramsey
Carew	Gould	McFadden	Reavis
Carter	Graham, Pa.	McKinley	Reed, N. Y.
Casey	Greene, Vt.	McLane	Riddick
Collier	Hamill	McLaughlin, Nebr.	Riordan
Costello	Heflin	MacGregor	Robsion, Ky.
Cullen	Hill	Maher	Romjue
Davis, Minn.	Houghton	Mann	Rowan
Dempsey	Howard	Mason	Rowe
Donovan	Hull, Iowa	Mead	Rubey
Dooling	Husted	Moore, Pa.	Sanford
Doremus	Ireland	Moores, Ind.	Saunders, Va.
Drane	Johnson, Miss.	Morin	Scully
Eagle	Johnson, S. Dak.	Murphy	Sells
Ellsworth	Johnston, N. Y.	Neely	Sinnott

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Sisson	Stephens, Miss.	Tincher	Wilson, Pa.
Small	Strong, Pa.	Upshaw	Wise
Smith, N. Y.	Sullivan	Walters	Zihlman
Smithwick	Swope	Ward	
Steele	Taylor, Ark.	Wilson, Ill.	

The SPEAKER. On this roll call 308 Members answered to their names. A quorum is present.

Mr. TOWNER. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors. When the House adjourned last night the House was voting on the amendment to the bill, which the Clerk will report.

The Clerk read as follows:

Page 1, line 4, strike out the words "industry or otherwise," and insert "industrial pursuits including agriculture, trade, commerce, manufacturing, mining, transportation, and all the mechanic arts.

The SPEAKER. The question is on agreeing to the amendment adopted by the committee.

The question was taken, and the Speaker announced the ayes seemed to have it.

On a division (demanded by Mr. BLACK) there were—ayes 148, noes 65.

So the amendment was agreed to.

The SPEAKER. The vote next comes upon the second amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CARSS: On page 1, lines 7 and 8, strike out the words "and who are without sufficient means to provide for their own rehabilitation."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the Speaker announced the ayes seemed to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 57, noes 59.

So the amendment was rejected.

The SPEAKER. The question is on ordering the bill to be engrossed and read the third time.

The question was taken, and the bill was ordered to be engrossed and read a third time; was read the third time.

Mr. SEARS. Mr. Speaker——

Mr. BLANTON. Mr. Speaker, I have a motion to recommit. I am a member of the committee, and I am against the bill.

Mr. SEARS. Mr. Speaker, I am the ranking member of the committee and I have a motion to recommit.

The SPEAKER. Are there any other gentlemen who have motions to recommit?

Mr. WOOD of Indiana. I have one.

The SPEAKER. Is the gentleman on the committee?

Mr. WOOD of Indiana. I am not on the committee.

The SPEAKER. Who is the ranking member?

Mr. BLANTON. Mr. SEARS; but I am against the bill and he is for it.

The SPEAKER. The gentleman need not proceed to qualify until asked to do so. Is the gentleman from Florida opposed to the bill?

Mr. SEARS. I am opposed to the bill.

The SPEAKER. The Chair will recognize the gentleman from Florida, the ranking member of the committee. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SEARS moves to recommit the bill to the Committee on Education with instructions to report the same back instanter with the following amendment:

On page 3, line 7, after the word "act," strike out all of lines 7 and 8 down to the semicolon and insert the following: "and the Federal board shall furnish to the State boards annually general plans and specifications or such information on vocational education as they may have."

And also, in line 8, strike out all down to and including the semicolon after "directors" in line 17.

Mr. BLANTON. Mr. Speaker, I offer a substitute motion to recommit——

Mr. TOWNER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. Where a motion to recommit is read by the Clerk and a Member calls the attention of the Speaker to the fact that he desires to offer a substitute motion to recommit, is he not entitled to recognition?

The SPEAKER. He is not. The gentleman in charge of the bill is entitled to recognition.

The question is on agreeing to the motion to recommit.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. SEARS. Division, Mr. Speaker.

The House proceeded to divide.

Mr. SEARS. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Thirty-six gentlemen have arisen, not a sufficient number.

Mr. SEARS. Mr. Speaker, I demand the other side.

The SPEAKER. There is no question of the other side. The question is whether one-fifth of the Members present demand a quorum.

Mr. SEARS. I demand the other side, because other business has been transacted since a quorum was developed.

The SPEAKER. The only question was whether or not there were one-fifth of the Members present demanding a quorum.

Mr. BLANTON. May I ask that the Chair count?

Mr. SEARS. I make the point of no quorum.

The SPEAKER. The gentleman makes the point of no quorum. The Chair will count. [During the count.] The Chair has already counted 225 Members, and there are many uncounted. A quorum is present. The motion to recommit is rejected. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. BLANTON. Division, Mr. Speaker.

Mr. WALSH. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 196, nays 105, answered "present" 9, not voting 120, as follows:

YEAS—196.

Almon	Ferris	Lazaro	Rhodes
Anderson	Fitzgerald	Lehlbach	Ricketts
Andrews, Nebr.	Focht	Lesher	Riddick
Ashbrook	Foster	Linthicum	Rodenberg
Babka	Freeman	Lonergan	Romjue
Baer	French	Luhring	Rose
Bankhead	Gallagher	McArthur	Rouse
Barbour	Garland	McGlennon	Sabath
Benham	Glynn	McKenzie	Sanders, Ind.
Black	Goodwin, Ark.	McKeown	Sanders, N. Y.
Bland, Ind.	Green, Iowa	McKinley	Schall
Bland, Mo.	Greene, Mass.	McLaughlin, Mich.	Scott
Bowers	Griest	McPherson	Sherwood
Briggs	Hadley	MacCrate	Shreve
Brooks, Ill.	Hamilton	Magee	Siegel
Brooks, Pa.	Hardy, Colo.	Mapes	Sims
Browne	Haskell	Mays	Sinclair
Brumbaugh	Hastings	Michener	Smith, Idaho
Burdick	Hawley	Miller	Smith, Ill.
Burke	Hayden	Minahan, N. J.	Smith, Mich.
Burroughs	Hays	Monahan, Wis.	Steenerson
Campbell, Pa.	Hernandez	Mondell	Stephens, Ohio
Cantrill	Hersey	Mooney	Stiness
Carss	Hersman	Moore, Ohio	Summers, Wash.
Chindblom	Hickey	Morgan	Sweet
Christopherson	Huddleston	Mott	Taylor, Colo.
Classon	Hulings	Mudd	Taylor, Tenn.
Cole	Hull, Iowa	Nelson, Wis.	Temple
Cooper	Hutchinson	Newton, Minn.	Thompson
Copley	Igoe	Newton, Mo.	Timberlake
Crago	James	Nichols, Mich.	Tinkham
Crowther	Johnson, Ky.	Nolan	Towner
Currie, Mich.	Johnson, Wash.	O'Connell	Vaile
Curry, Calif.	Jones, Tex.	O'Connor	Vare
Dallinger	Juul	Olney	Vestal
Darrow	Kearns	Osborne	Volgt
Davey	Keller	Parrish	Volstead
Denison	Kelley, Mich.	Phelan	Weaver
Dickinson, Mo.	Kelly, Pa.	Platt	Webster
Dickinson, Iowa	Kendall	Pou	Welling
Dowell	Kettner	Purnell	Welty
Dunbar	King	Radcliffe	Wheeler
Dupré	Kinkaid	Rainey, J. W.	White, Kans.
Dyer	Kleczka	Raker	Williams
Elliott	Knutson	Ramseyer	Wingo
Elston	Kraus	Randall, Calif.	Wood, Ind.
Esch	Kreider	Randall, Wis.	Woodyard
Evans, Mont.	Lampert	Reber	Yates
Fairfield	Lankford	Reed, W. Va.	Young, N. Dak.

NAYS—105.

Alexander	Dent	Kitchin	Slemp
Anthony	Dominick	Lanham	Small
Aswell	Doughton	Layton	Smithwick
Ayres	Dunn	Luce	Snell
Bee	Echols	Lufkin	Steagall
Bell	Edmonds	McDuffie	Stedman
Benson	Evans, Nebr.	Madden	Stevenson
Blackmon	Evans, Nev.	Major	Strong, Kans.
Bland, Va.	Fisher	Mansfield.	Sumners, Tex.
Blanton	Flood	Martin	Tillman
Boies	Fordney	Merritt	Tilson
Box	Ganly	Montague	Treadway
Browning	Garrett	Moon	Venable
Buchanan	Good	Moore, Va.	Vinson
Butler	Graham, Ill.	Nelson, Mo.	Watkins
Byrnes, S. C.	Greene, Vt.	Nicholls, S. C.	Watson, Pa.
Byrns, Tenn.	Griffin	Oldfield	Watson, Va.
Candler	Hardy, Tex.	Oliver	Webb
Cannon	Harrison	Padgett	Whaley
Clark, Mo.	Haugen	Park	Wilson, La.
Cleary	Hoch	Quin	Winslow
Coady	Holland	Rayburn	Woods, Va.
Connally	Hudspeth	Robinson, N. C.	Wright
Cramton	Hull, Tenn.	Rucker	Young, Tex.
Crisp	Humphreys	Sanders, La.	
Dale	Jacoway	Sanford	
Davis, Tenn.	Jones, Pa.	Sears	

ANSWERED "PRESENT"—9.

Bacharach	Garner	Snyder	Walsh
Emerson	Rogers	Thomas	Wason
Gard			

NOT VOTING—120.

Ackerman	Frear	Larsen	Rainey, H. T.
Andrews, Md.	Fuller, Ill.	Lea, Calif.	Ramsey
Barkley	Fuller, Mass.	Lee, Ga	Reavis
Begg	Gallivan	Little	Reed, N. Y.
Booher	Gandy	Longworth	Riordan
Brand	Godwin, N. C.	McAndrews	Robsion, Ky.
Brinson	Goldfogle	McClintic	Rowan
Britten	Goodall	McCulloch	Rowe
Caldwell	Goodykoontz	McFadden	Rubey
Campbell, Kans.	Gould	McKiniry	Saunders, Va.
Caraway	Graham, Pa.	McLane	Scully
Carew	Hamill	McLaughlin, Nebr.	Sells
Carter	Heflin	MacGregor	Sinnott
Casey	Hicks	Maher	Sisson
Clark, Fla.	Hill	Mann	Smith, N. Y.
Collier	Houghton	Mason	Steele
Costello	Howard	Mead	Stephens, Miss.
Cullen	Husted	Moore, Pa.	Strong, Pa.
Davis, Minn.	Ireland	Moores, Ind.	Sullivan
Dempsey	Jefferis	Morin	Swope
Dewalt	Johnson, Miss.	Murphy	Taylor, Ark.
Donovan	Johnson, S. Dak.	Neely	Tincher
Dooling	Johnston, N. Y.	Ogden	Upshaw
Doremus	Kahn	Overstreet	Walters
Drane	Kennedy, Iowa	Paige	Ward
Eagan	Kennedy, R. I.	Parker	White, Me.
Eagle	Kiess	Pell	Wilson, Ill.
Ellsworth	Kincheloe	Peters	Wilson, Pa.
Fess	LaGuardia	Porter	Wise
Fields	Langley	Rainey, Ala.	Zihlman

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. FESS (for) with Mr. WALSH (against).

Mr. MCCULLOCH (for) with Mr. SNYDER (against).

Mr. EMERSON (for) with Mr. CLARK of Florida (against).

Mr. LAGUARDIA (for) with Mr. GRAHAM of Pennsylvania (against).

Mr. OGDEN (for) with Mr. ROGERS (against).

Mr. KENNEDY of Rhode Island (for) with Mr. BACHARACH (against).

Mr. JOHNSON of Mississippi (for) with Mr. TINCHER (against).

Mr. EAGAN (for) with Mr. DEWALT (against).

Mr. LONGWORTH (for) with Mr. GARNER (against).

Mr. HUSTED (for) with Mr. BOOHER (against).

Mr. WALTERS (for) with Mr. THOMAS (against).

Until further notice:

Mr. FULLER of Massachusetts with Mr. RUBEY.

Mr. MORIN with Mr. GOLDFOGLE.

Mr. MURPHY with Mr. GODWIN of North Carolina.

Mr. PAIGE with Mr. GANDY.

Mr. PARKER with Mr. GALLIVAN.

Mr. ELLSWORTH with Mr. SISSON.

Mr. SWOPE with Mr. CAREW.

Mr. WARD with Mr. CARAWAY.

Mr. MCFADDEN with Mr. LARSEN.

Mr. MCLAUGHLIN of Nebraska with Mr. KINCHELOE.

Mr. HILL with Mr. OVERSTREET.

Mr. HOUGHTON with Mr. NEELY.

Mr. WHITE of Maine with Mr. CALDWELL.

Mr. WILSON of Illinois with Mr. BRINSON.

Mr. ZIHLMAN with Mr. BRAND.

Mr. MANN with Mr. JOHNSTON of New York.

Mr. MASON with Mr. HOWARD.

Mr. ACKERMAN with Mr. WISE.

Mr. ANDREWS of Maryland with Mr. WILSON of Pennsylvania.

Mr. PETERS with Mr. EAGLE.

Mr. PORTER with Mr. DRANE.

Mr. BEGG with Mr. UPSHAW.

Mr. RAMSEY with Mr. DOREMUS.

Mr. BRITTEN with Mr. TAYLOR of Arkansas.

Mr. REAVIS with Mr. DOOLING.

Mr. CAMPBELL of Kansas with Mr. SULLIVAN.

Mr. GOODALL with Mr. ROWAN.

Mr. KENNEDY of Iowa with Mr. MCANDREWS.

Mr. GOODYKOONTZ with Mr. RIORDAN.

Mr. REED of New York with Mr. DONOVAN.

Mr. MOORE of Pennsylvania with Mr. HEFLIN.

Mr. MOORES of Indiana with Mr. HAMILL.

Mr. KIESS with Mr. LEE of Georgia.

Mr. LANGLEY with Mr. FIELDS.

Mr. ROBSION of Kentucky with Mr. CULLEN.

Mr. LITTLE with Mr. LEA of California.

Mr. ROWE with Mr. COLLIER.

Mr. SELLS with Mr. CASEY.

Mr. FREAR with Mr. SCULLY.

Mr. COSTELLO with Mr. STEPHENS of Mississippi.

Mr. DAVIS of Minnesota with Mr. STEELE.

Mr. GOULD with Mr. RAINEY of Alabama.

Mr. DEMPSEY with Mr. SMITH of New York.

Mr. HICKS with Mr. HENRY T. RAINEY.

Mr. STRONG of Pennsylvania with Mr. CARTER.

Mr. FULLER of Illinois with Mr. SAUNDERS of Virginia.

Mr. IRELAND with Mr. MAHER.

Mr. JEFFERIS with Mr. MCLANE.

Mr. MACGREGOR with Mr. BARKLEY.

Mr. JOHNSON of South Dakota with Mr. MCKINIRY.

Mr. KAHN with Mr. MCCLINTIC.

Mr. ROGERS. Mr. Speaker, I voted "nay." I am paired with the gentleman from Kentucky, Mr. OGDEN. I want to withdraw my vote and vote "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. ROGERS, and he answered "Present."

Mr. WALSH. Mr. Speaker, I am paired with the gentleman from Ohio, Dr. FESS. I voted "nay." I desire to withdraw my vote and vote "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. WALSH, and he answered "Present."

Mr. EMERSON. Mr. Speaker, I voted "aye." I have a pair with the gentleman from Florida, Mr. CLARK. I have a live pair with him. I want to withdraw my vote and vote "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. EMERSON, and he answered "Present."

Mr. BACHARACH. Mr. Speaker, I have a pair with the gentleman from Rhode Island, Mr. KENNEDY. If he were present, he would vote "aye." I want to withdraw my vote and vote "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. BACHARACH, and he answered "Present."

The result of the vote was announced as above recorded.

On motion of Mr. TOWNER, a motion to reconsider the vote whereby the bill was passed was laid on the table.

EXTENSION OF REMARKS.

Mr. TOWNER. Mr. Speaker, I ask unanimous consent that all Members of the House may have 10 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. The gentleman from Iowa asks unanimous consent that all Members of the House may have 10 legislative days in which to extend their remarks on the bill just passed. Is there objection?

Mr. BLANTON. Reserving the right to object, would the gentleman mind making that five legislative days?

Mr. DYER. Mr. Speaker, I object.

The SPEAKER. Objection is made.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill just passed.

The SPEAKER. Is there objection to the gentleman's request?

Mr. WINGO. Reserving the right to object, does the gentleman intend to put in newspaper clippings?

Mr. BLANTON. The only thing I intend to put in is my position on the bill, together with the motion to recommit, which, under the rules of the House, I was prohibited from commenting on.

Mr. WINGO. I will not object, provided the gentleman does not put in clippings from newspapers or letters laudatory of his political ambitions.

The SPEAKER. Is there objection?

There was no objection.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill just passed.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

Mr. CLARK of Missouri. Mr. Speaker, I ask unanimous consent that all gentlemen may have five legislative days in which to extend their remarks in the RECORD, to be confined strictly to the bill, their own remarks.

The SPEAKER. The gentleman from Missouri asks unanimous consent that all gentlemen may have five legislative days in which to extend their own remarks on the bill just passed.

Mr. JOHNSON of Washington. Reserving the right to object, if the gentleman from Missouri will make it three legislative days I will not object. Three is enough.

Mr. CLARK of Missouri. I do not care whether it is three or five.

Mr. JOHNSON of Washington. While the subject is alive, if men are anxious to get into the RECORD, let them get in. As a

matter of fact, it is almost impossible to secure the paper to print the RECORD. I shall not object to three days.

Mr. CLARK of Missouri. I will change it to three, but I will insist that the speeches that go in shall be the speeches of the men who pretend to make them, and that there shall be no exhibits in there.

Mr. WINGO. Limited to this subject.

Mr. CLARK of Missouri. Yes; and limited to the subject.

Mr. CANNON. Mr. Speaker, I was not well last evening and last night, and I did not revise my remarks. I desire the privilege of revising and extending, strictly upon the bill, my remarks.

The SPEAKER. One unanimous-consent request is pending, that of the gentleman from Missouri [Mr. CLARK]. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Illinois [Mr. CANNON] under that will have that privilege.

WILLIAM Z. FOSTER.

Mr. DAVEY. Mr. Speaker, I ask unanimous consent to proceed for five minutes, so that in that time there may be read to the House the letter of Senator POMERENE to the United Labor Congress at Youngstown, Ohio, in response to their resolutions touching Congressman COOPER.

The SPEAKER. The gentleman from Ohio asks unanimous consent to proceed for five minutes and to have read the letter indicated. Is there objection?

Mr. BLANTON. Mr. Speaker, does the letter intend to reflect upon Congressman COOPER?

Mr. DAVEY. No. This is Senator POMERENE'S defense of Congressman COOPER.

Mr. BLANTON. Then I will have no objection.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the letter presented by the gentleman from Ohio [Mr. DAVEY].

The Clerk read as follows:

WASHINGTON, D. C., *October 1½, 1919.*

MR. HARRY DECHUND,
Secretary United Labor Congress, Youngstown, Ohio.

DEAR SIR: Your recent favor received, inclosing copy of the preamble and resolutions adopted by the United Labor Congress, Youngstown, Ohio, criticizing the speech made by Congressman JOHN G. COOPER on the 23d day of September, 1919, in the House of Representatives.

As a committee of the Senate is now investigating the steel strike, I shall refrain from making any comment thereon until the hearings are ended and the report presented. Your criticisms, however, relate to what Congressman COOPER said with regard to William Z. Foster, and lest I be misunderstood by my silence I can not pass them by.

I read Congressman COOPER'S speech the day after it was delivered; since the receipt of your resolutions I have read it again. Truth compels me to say that I indorse both in spirit and in letter everything he said respecting William Z. Foster.

[Applause.]

While I am not familiar with all the details of the steel strike, I have examined into the merits of William Z. Foster. He was an I. W. W. and a syndicalist. It is claimed for him that he has since reformed. I have read his booklet on Syndicalism, and a number of his letters printed in Solidarity. I have read his more recent book on Trade Unionism—The Road to Freedom, and I have read most of his testimony recently given before the Senate committee.

In his pamphlet on Syndicalism he advocated direct action, sabotage, revolution, and the destruction of government.

In his letters in Solidarity he urged getting into trade-unions and "boring from within" the trade-union movement; and adds: "I am satisfied from my observation that the only way for the I. W. W. to have the workers adopt and practice the principles of revolutionary unionism—which I take is its mission—is to give up the attempt to create a new labor movement, turn itself into a propaganda league, get into the organized-labor movement, and by building up better fighting machines within the old unions than those possessed by our reactionary enemies, revolutionize these unions, even as our French syndicalist fellow workers have so successfully done with theirs," and signs his letter, "Yours, for revolution, Wm. Z. Foster."

In his recent work on trade-unionism he says: "Under the new order (as he pictures the plan) government, such as we know it, would gradually disappear. In an era of science and justice this make-shift institution, having lost its usefulness, would shrivel and die." And again he says, "Criminal courts, police, jails, and the like would go also."

In his recent testimony before the Senate committee now investigating the steel strike, while it is true that he claimed to have modified his former views somewhat, it is not apparent that they have been substantially changed.

It is significant that the reds, the I. W. W.'s, and all that class of people who believe in abolishing private property are Foster's eager followers.

The President of the United States, in the interests of the whole public, begged that this strike be delayed until after there could be an investigation by the industrial conference now sitting in Washington. Samuel Gompers, the president of the American Federation of Labor, opposed the calling of the strike, but nevertheless it was called at the instance of Mr. Foster and other leaders of the radical element. It looks to the public as if he were making good his statement in Solidarity, "to bore from within" the trade-union movement.

Why should you decline to accept the counsel of Congressman COOPER, an American, who is imbued with the American spirit, and who by every act of his life has shown his interest in law-abiding labor, and prefer to accept the leadership of Foster, who until very recently was a self-confessed I. W. W. and syndicalist, and even now preaches the abolishment of private property and the overthrow of the courts and of government?

Permit me to suggest in a very kindly way: Do not mistake the American spirit. Americans are patient and long-suffering. If our Government needs changing, the majority will change it and not the minority; and when it is changed it will be by real Americans and not by soviets or Bolshevists of the Foster type. [Applause.] To place Foster at the head of any movement is an insult to every law-abiding laboring man, and to America herself. We do not need the aid of the Fosters and the un-Americanized foreign element to tell us how to run our country.

When Lincoln witnessed the sale of the mulatto slave girl on the auction block in New Orleans, he said if he ever had an opportunity to hit slavery he would hit it hard; and so permit me to suggest—and I think I understand the American people—if they ever have occasion to hit Bolshevism in this country, it will be hit harder than Lincoln hit slavery. [Applause.]

America would not tolerate the menace of a military autocracy in Germany. She raised an army of 4,000,000 men to prevent it. This same spirit will not sit silently by and see builded up in this country an industrial autocracy, whether it be in the name of capital or of labor. We have the best Government in the world, and we are going to keep it the best. It is like the air about us. Some people can not appreciate its life-preserving qualities until it is taken away. But most Americans understand it.

Americans—and I am one of them—sympathize with labor in their reasonable demands, but they never will approve a movement which is led by the Fosters and their kind. [Applause.] Their activities bode no good to anyone.

Very sincerely, ATLEE POMERENE.

[Applause.]

During the reading of the foregoing letter Mr. DAVEY'S time expired, and Mr. WALSH asked that the reading of the letter might be completed. His request was granted by unanimous consent.

THE BUDGET.

Mr. SNELL. Mr. Speaker, I present a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents a privileged report from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

Mr. SNELL, from the Committee on Rules, submits the following report:

The Committee on Rules, to which was referred House resolution 339, submitted a privileged report on the resolution, with the recommendation that it be agreed to.

House resolution 339.

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House shall resolve itself into Committee of the Whole House on the state of the Union for the consideration of H. R. 9783, being "A bill to provide a national budget system and an independent audit of Government accounts, and for other purposes." That the bill shall be the continuing order of business, except consideration of conference reports and matters on the Speaker's table. That there shall be 12 hours of general debate confined to the subject matter of the bill, to be divided equally, one half to be controlled by the gentleman from Iowa, Mr. GOOD, and the other half by the gentleman from Tennessee, Mr. BYRNS. That at the conclusion of the general debate the bill shall be read for amendments under the five-minute rule. That at the conclusion of the consideration of the bill for amendments the bill together with the amendments, if any, shall be reported to the House. That the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SNELL. Mr. Speaker, I move the previous question on the resolution.

Mr. HAUGEN. Mr. Speaker, will the gentleman yield?

Mr. SNELL. Yes.

Mr. HAUGEN. The resolution reads that general debate shall be confined to the subject matter of the bill. Would that exclude debate on the other part of the program, the other bill, which accomplishes this which is reported by the committee, which changes the rules of the House?

Mr. SNELL. As I understand it, this is simply intended to keep out all the miscellaneous speeches that are usually made in general debate. It should be confined to the bill and things pertinent to it.

Mr. HAUGEN. I think the debate should be confined to the subject matter, but as stated in the report, this is only a part of the program, or in other words, this is a camouflage leading up to something else.

Mr. SNELL. It was intended to confine the debate to the general program of legislation.

Mr. HAUGEN. Would that include item No. 2, action on the budget by Congress, as indicated on page 3 of the report?

Mr. SNELL. Yes; I understand it would.

Mr. HAUGEN. With that understanding I certainly have no objection, but that is the important thing in the whole proposition; and, as stated in the report, it is clear that this bill is simply a camouflage and the forerunner for the other proposition. With that understanding I have no objection to the adoption of the rule.

The SPEAKER. The question is on ordering the previous question.

Mr. WALSH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. WALSH. I desire to ask the Chair if the adoption of this rule making this bill a continuing order is intended to dispense with Calendar Wednesday?

The SPEAKER. The Chair thinks it would not dispense with Calendar Wednesday.

Mr. HAUGEN. If the gentleman will yield further, I would like to inquire if the time is to be equally divided between those who favor and those who are opposed to the bill? We had that assurance from the chairman and the ranking member the other day, and I suppose that will be carried out.

Mr. CLARK of Missouri. Mr. Speaker, I wish you would order these gentlemen to talk loudly enough so that people can hear them.

The SPEAKER. The Chair wishes they would. The question is on ordering the previous question.

The previous question was ordered.

Mr. SNELL. Mr. Speaker, this is one of the most important matters that ever came before this House. If anything can be done that will improve the manner of making up the national budget, or tending toward efficiency in the expenditure of Federal funds, it is the duty of this Congress to do it.

Early in the session the House, recognizing the importance of the matter, appointed a special committee to consider this legislation. This resolution simply carries out the express wishes of Congress in making the report of this committee in order at this time, and the report of the Committee on Rules is unanimous.

I reserve the balance of my time.

Mr. GARRETT. Mr. Speaker, just a few words, not so much upon the rule itself as upon the bill that it is proposed to make in order.

I think the House and the country are to be congratulated upon the fact that this step forward in budget legislation is about to be taken. For many years thoughtful students of our fiscal policies have realized the necessity for the budget system. The party to which I belong, as well as the other party, I think, indorsed such legislation in its national platform in 1916. An effort was made in the last Congress to carry out this provision, and there was placed upon one of the appropriation bills legislation which would at least have marked the beginning of the budget system. That failed of passage in the other body under circumstances with which we are all familiar. Of course, I suppose no one anticipated that it would be possible for this special committee to bring in a plan which would meet every requirement of every man. For my own part, I regard this merely as the beginning. I wish it could have been possible at this time—and I trust it may be possible in the future—to develop a system whereby in the House itself there will be a closer coordination than there has been heretofore or than will be possible even under this bill, if I construe it correctly, of appropriations and revenues. I hope to see the day come when every bill which is brought into the House providing for an appropriation or an authorization shall have with it in some tangible form a plan for obtaining the revenue to pay that particular appropriation; or, if the revenues are already in existence, point out from whence they are to come. [Applause.] I think that would have a very wholesome effect upon legislation. I think it would have been very fortunate, for instance, if the bill which has just passed this House could have had opposite its authorization a statement of the place from which the money is to come, the millions and millions of dollars to pay for it. And so of many matters of legislation to be brought before the House.

It was not expected of this bill that it would meet that requirement; but this bill is, in my opinion, a decided improvement over the present system.

I do not propose, of course, to attempt to go into details. That may more properly be left to those who have been intimate with it during its consideration.

I reserve the remainder of my time.

Mr. SEARS. Mr. Speaker, will the gentleman yield?

Mr. GARRETT. I yield to the gentleman from Florida.

Mr. SEARS. This is evidently an important bill, or a special rule would not have been brought in. I notice that the debate is limited to 12 hours, to be confined to the subject. The gentleman knows that there is not and will not be a quorum present during the debate, and I would like to ask why 12 hours of general debate are given to this subject when a quorum will not be present and when the people of the country want some action toward reducing the high cost of living and less action in disposing of hot air?

Mr. GARRETT. Mr. Speaker, I can only say in answer to the gentleman that it was the thought of the members of the Committee on Rules, influenced largely, I will say very frankly, by the suggestions that came particularly from the members of the Special Budget Committee and other gentlemen in the House interested in this subject, that this was a matter of very great importance, proposing a profound change in our fiscal policy, and it was believed that ample time should be given for the consideration of so important and far-reaching a measure. Provision was made that it should be confined to the bill, for obvious reasons. Of course, it was understood in the Committee on Rules that there could properly come within the scope of the subject matter of this bill a discussion of another proposition which is pending and perhaps has been reported from the Budget Committee—I am not sure as to that—changing the rules of the House of Representatives. The Committee on Rules believed that that was a part of the subject matter, and it was the understanding in the Committee on Rules that that matter could be legitimately discussed under the language of this rule. That is all I can say in response to the gentleman from Florida.

I reserve the remainder of my time.

Mr. SNELL. I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, as the gentleman from New York [Mr. SNELL] in charge of the bill has properly said, this is one of the most important pieces of legislation that will come before this Congress. As a matter of fact, I am inclined to think that with the exception of the railroad legislation, which we hope to consider a little later in this session, no more important matter will come before this Congress than this bill.

All thoughtful men have realized for many years the faulty character of our method of estimating and appropriating. For many years men in and out of Congress have urged reform in the direction of a budget system.

I am frank to say that when the committee was appointed, near the beginning of the session, I scarcely hoped that it would be possible to secure unanimous agreement upon legislation. I want to congratulate the members of that committee, I want to congratulate the House and the country, on the report they have made, and on the fact that they have reported to the House unanimously in this exceedingly important matter. There is no question about the value of a budget system adapted to our form of government, and I hope that beginning with this legislation we shall be able to work out such a system. As the bill is unanimously reported, I hope it will have a like unanimous support in the House. [Applause.]

Mr. SNELL. Mr. Speaker, I move the adoption of the resolution.

The resolution was agreed to.

Mr. GOOD. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 9783, providing for a budget system.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. TOWNER in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of a bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 9783) to provide a national budget system and an independent audit of Government accounts, and for other purposes.

Mr. GOOD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

A NATIONAL BUDGET SYSTEM.

Mr. GOOD. Mr. Chairman, stupendous problems await the action of the Sixty-sixth Congress. To it is committed more important questions than ever before in times of peace engaged the attention of the Nation's law-making body. This Congress must determine the Nation's policy with regard to the railroads; the merchant marine; the control and development of our national resources; our military and naval policies; and last, but by no means least, the problem of bringing our expenditures within a normal revenue. The solution of many of these and allied problems, already too long delayed, must by the very force of circumstances be solved at the earliest practicable moment.

NECESSITY FOR BUDGET LEGISLATION.

That this Congress will enact legislation providing for a national budget is certain. Many forces are working for it. Both political parties have declared for it. Business interests

of the country are demanding it. The taxpayers are looking for it as the only agency that will bring about a reasonable reduction in expenditures, to the end that at an early day burdensome taxes, which tend to cripple production and prevent an extension of our foreign trade, may be reduced. This reduction can only come by a reduction in the estimated expenditures of the Government, and this reduction can only be effected by the practice of the strictest economy in every branch of the Government service. And this reduction, in turn, can only be effected by the adoption on the part of the Government of sound business principles which practical business men in every branch of industry have found essential in the successful conduct of their business affairs. That our present methods of making estimates for the expenses of the Government and of making appropriations to meet these demands are unscientific, unbusinesslike, wasteful, and extravagant no well-informed person will deny. But no system alone, however perfect in outline or complete in its details, will bring about the needed reform. It will require the exercise of the best judgment and the practice of the strictest economy by administrator and legislator alike in the administration of the most scientific plan that human ingenuity and skill can devise to bring about the desired result.

To accomplish this it will require on the part of the executive departments an entire change of administration policies. The property acquired by the Government during the war and not needed by the Government in times of peace must be sold to the best advantage of the Treasury of the United States; heads of departments must demand greater efficiency from their employees, eliminate duplications, and bring in estimates for as small sums as possible. Congress on its part must be willing to forego for the time being the enactment of laws providing for new undertakings that will require large expenditures of money, no matter how desirable the objects may be.

The war has wrought a tremendous change in the Government's fiscal affairs. Formerly our revenues flowed into the Treasury from sources that affected but slightly the ordinary citizen. That revenue came through a system of indirect taxation that the ordinary taxpayer did not feel and that did not affect industry except to stimulate its production. Our revenue then came from tariff duties, taxes on tobacco, intoxicating liquors, and sources of that character. Revenue was coming into the Treasury more rapidly that it could be expended, and Congress gave but little attention to the consideration of measures calling for new governmental activities that called for large expenditures. For 52 fiscal years, from 1866 to 1917, inclusive, the revenues exceeded the expenditures during 41 of those years, and during only 11 years did the expenditures exceed the revenues. During these 52 years the net excess of revenues over expenditures amounted to the grand total of $2,147,686,439.46. During all of that time, according to the last report of the Secretary of the Treasury, only $636,554,225.07 of direct taxes were collected, and these taxes were paid by comparatively few persons. For the calendar year 1909, 52,498 corporations in the United States made tax returns showing a taxable income, while in 1917 this number had increased to 232,079. For the calendar year 1913, 357,598 persons made individual income-tax returns, and for the year 1917 this number was increased to 3,472,890. It is thus seen that the number of corporations and persons who are affected by direct taxes is rapidly increasing, and with that increase there will come an increased demand for the practice of economy and efficiency, both on the part of the executive departments and of Congress.

For the fiscal year ending June 30, 1914, our expenditures totaled $1,025,698,578.59, while for the current fiscal year it is estimated that it will require to pay current expenses and to discharge obligations created while we were at war approximately $10,830,000,000. In this connection, however, it should be remembered that a large part of the expenditures of this year are necessary to pay obligations created for war purposes, and which ought to be largely discharged before the end of this fiscal year.

In a recent statement Hon. John J. Fitzgerald, who for more than 19 years was an honored Member of this House and for more than six years the able chairman of the Committee on Appropriations, said that in the future the annual requirements for the support of the Government would amount to $5,000,000,000. I realize, as I am sure he does, that it is impossible to say with any degree of exactness just what our requirements will be. But it has seemed to me that someway and somehow the expenses of the Government should be so reduced that they will not exceed $4,000,000,000 per annum. But I realize that to accomplish this result will require a business administration of a high order on the part of the Executive, and the strongest possible determination on the part of Congress to economize in appropriations and to stop enacting legislation that will in the future require the expenditure of public funds. I trust the expenses of the Government will be less than the amount I have indicated. But I shall be surprised if the estimates soon to be submitted by the Secretary of the Treasury for the next fiscal year do not exceed $5,000,000,000 as the estimated requirements for that year. I realize that to do this Congress must forego the doing of some of those things which Members think ought to be done. Unquestionably the necessities of the situation must compel us to give up the doing of some things which forward-looking men, under more favorable conditions, would like to do. It will require, and ought to require, the amortization of our war debt covering a period of at least 50 years.

THE PRESENT METHOD OF SUBMITTING ESTIMATES.

To understand the changes which the proposed bill will effect one must first be familiar with the details of our present system. Under the law it is the duty of the heads of the several executive departments and independent Government establishments to furnish the Secretary of the Treasury on or before the 15th day of October of each year with an annual estimate of the funds necessary for their respective departments for insertion in the Book of Estimates. Under this law it is the practice of the head of each of such departments to designate the head of each bureau under him to make the estimate of the expenses for his bureau. When all of the estimates from the various bureau chiefs under a given department have been thus made, the head of that department submits his estimates to the Secretary of the Treasury, who has no power to increase or diminish them, and no power to coordinate the services of the several bureaus or to prevent duplications in the service. Bureaus under different executive departments doing similar work are thus stimulated in a spirit of rivalry, and so far as the estimates that come to Congress go no one coordinates or attempts to coordinate the various activities of the several departments. In practice this system has resulted in waste, extravagance, and inefficiency, and duplications in the Government service.

The defect in this plan must be apparent to anyone who has made a study of its practical operation. Everyone familiar with the practical operation of this system agrees that its failure lies in the fact that no one person is responsible for the estimates to Congress. They are a patchwork and not a structure. As a result a great deal of the time of the committees of Congress is taken up in exploding visionary schemes of bureau chiefs, for which no administration would be willing to stand sponsor. They provide for building up rival bureaus and no one is responsible for bringing about their coordination or limiting their activities. The result is that Congress is criticized, and justly so, for its failure to provide a system which will correct these abuses. The system is wrong, and Congress alone can change the system. If it fails to act now and refuses to make the necessary changes in a plan that is admittedly bad, Congress will and should receive the condemnation of the American people.

It has been urged that the act of March 4, 1909, gives the President the power to correct this evil. Unquestionably such was the intention of Congress in enacting that legislation. But in practice it has not had that result. The act provides:

> Immediately upon the receipt of the regular annual estimates of appropriations needed for the various branches of the Government it shall be the duty of the Secretary of the Treasury to estimate as nearly as may be the revenues of the Government for the ensuing fiscal year, and if the estimates for appropriation, including the estimated amount necessary to meet all continuing and permanent appropriations, shall exceed the estimated revenues the Secretary of the Treasury shall transmit the estimates to Congress as heretofore required by law and at once transmit a detailed statement of all of the said estimates to the President, to the end that he may, in giving Congress information of the state of the Union and in recommending to their consideration such measures as he may judge necessary, advise the Congress how in his judgment the estimated appropriations could with least injury to the public service be reduced so as to bring the appropriations within the estimated revenues, or, if such reduction be not in his judgment practicable without undue injury to the public service, that he may recommend to Congress such loans or new taxes as may be necessary to cover the deficiency.

It will be observed that it is only when the estimated revenues are not sufficient to meet the estimated expenditures that the President is called upon to practice this measure of economy. Even in such cases that provision of law has not been found practical. The law has been on the statute books for more than 10 years, and up to this time no President has ever availed himself of its provisions. The reason is obvious. The estimates are made up by the members of his Cabinet. To sit in review after the estimates have been submitted to Congress and to make reductions therein would in effect amount to repudiation of published statements just previously made by the respective members of his Cabinet. If the President is to perform this function he should be required to perform it in the first instance, and not simply to review what his Cabinet members have already done.

The study and review of the proposals should be made in the first instance and not after the estimates have been submitted to Congress.

A BUREAU OF THE BUDGET—THE PRESIDENT'S RESPONSIBILITY.

The bill provides for the creation of the Bureau of the Budget in the office of the President, with a director and an assistant director appointed by the President. The bureau will be provided with such assistants and employees as may be necessary to collect for the President all the information necessary to enable him to submit to Congress on the first day of each regular session the annual budget. It is proposed that the budget shall contain balanced statements of revenues and expenditures of the Government, and an itemized statement of the proposed expenditures.

The bill fixes the responsibility for the budget on the President of the United States. Broadly speaking, the change, therefore, is from a system where no person is responsible for the estimates of expenditure to one where absolute responsibility is fixed on an elective officer of the United States. If duplication, waste, extravagance, and inefficiency shall exist in the service in the future, the President will be responsible for them if he includes in his budget an estimate for their continuation. The functions that are now performed by the members of the President's Cabinet, acting separately and without any coordination, would in practice be performed by their acting as a unit in assisting the President to present a budget for which his administration is willing to stand and by which it would be judged. It substitutes teamwork in the executive departments for the unorganized individual work of each of the 10 members of the Cabinet.

Under the law "the estimates of expenses for the Government, except those for sundry civil expenses, shall be prepared and submitted each year according to the order and arrangement of the appropriation acts for the year preceding." The hearings developed the fact that there must be some change in the order of estimates, and that in order to effect real economy the President should be permitted to submit a new order of arrangement by which appropriations could be made for the functions of the Government rather than the separate departments of the Government. In order to permit the President to present such a budget it was thought necessary to give him authority, in submitting his first budget, to submit also an alternative budget, which could be prepared in such form and according to such system of classification and itemization as in his judgment would be most appropriate, and which would effect the greatest degree of economy. Hence the committee inserted in the bill a section providing for the submission of an alternative budget for the fiscal year ending June 30, 1922. If Congress shall, in considering the budget for that year, adopt the plan submitted by the President, then the provision of law now on the statute books would apply to that budget as well as it now applies to the various items contained in the Book of Estimates.

THE BRITISH BUDGET SYSTEM.

It was the unanimous opinion of the committee that a great deal had been said and much had been written on the subject of a national budget by men who knew very little about our present system. Our present plan has been criticized from one end of the country to the other, and most of this criticism has been based on misstatements of fact. No member of the Select Committee on the Budget, or no person who sat with the committee and heard the hearings, will, I am sure, have the temerity to say that the United States has no system of finance. That our present system is faulty and needs to be greatly modified all who have studied the problem will agree; but these changes, it was agreed by the committee, should be made not by discarding the entire system, including that which was good, but rather by the retention of all that is good and by eliminating that which is bad, and the substitution of a plan that will strengthen it and make it more nearly perfect. Many of these writers and critics who have said that we have no system at all have pointed to the British system as an ideal plan for a national budget. No one familiar with the British system of government will for a moment contend that the United States could or should adopt that system. In the first place, the difference in the form of government of the two countries precludes our adopting their system if we desired to do so. In the second place, I doubt very much whether we would care to adopt the British budget system. After all, the proof of the pudding is in the eating.

The British Isles comprise about 121,000 square miles of territory—less than half the size of Texas; not as large as California, Montana, or New Mexico; about the size of Nevada, Colorado, and Arizona. Their population is approximately 45,000,000 people. We have in continental United States nearly 3,000,000 square miles of territory and over 100,000,000 of people, and yet for the fiscal year 1914 the budget for the British Isles carried approximately the same as the total appropriations for the United States, including Alaska and our insular possessions.

THE RESPONSIBILITY OF CONGRESS.

Under our present system, by which appropriations are closely scanned by Congress and by its committees, are to be found advantages not contained in the exchequer and audit departments act of Great Britain of 1866. But it contains weaknesses that must be corrected; and it is the opinion of the committee that with the enactment of this bill into law and the passage of House resolution 324 our system will be superior to that of Great Britain. When the whole program as outlined in this bill and in House resolution 324, providing for the changes in the rules of the House and the substitution of one large Committee on Appropriations for eight separate committees shall have been adopted by Congress and put into effect, absolute responsibility for each step in the making of appropriations will be fixed. The President will be responsible for the creation of the budget. His responsibility will end when that budget has been transmitted to Congress, and with the ending of his responsibility that of Congress will commence. Just as the President is made responsible for the preparation and transmission of the budget, so Congress will be made responsible for the budget which it shall enact. If it is found that the President's budget contains items that will lead to extravagance, waste, duplication, and inefficiency in the service, the people of the United States will hold him responsible for his act. If, on the other hand, Congress enacts a budget providing for such waste and extravagance, Members who vote for such a budget will and should be held to strict accountability for their action. With this responsibility, therefore, for each step in budget making fixed and determined by law, it is believed that a greater degree of economy can be effected than is possible under our present system.

AN "EXECUTIVE BUDGET" NOT PROPOSED.

It will no doubt be urged by some that this bill provides for an Executive budget, and that, under our Constitution, the duty of making appropriations is a legislative and not an Executive prerogative. As already pointed out, it will be the duty of the President to initiate the budget, just as it is now the duty of the heads of the several executive departments to initiate the estimates. It will be the duty of the President to transmit the budget to Congress, just as it is now the duty of the Secretary of the Treasury to transmit a Book of Estimates to Congress. To that extent, and to that extent alone, does the bill provide for an executive budget.

The bill does not take from or add to the duties now imposed upon Congress to make the most thorough examination of the estimates found in the budget, nor does it in any way restrict or limit the power of Congress to act on the budget. If, in the opinion of Congress, the estimates contained in the President's budget are too large, it will be the duty of Congress, and it will have as much power as it now possesses, to reduce them.

The bill does not in a single particular give the Executive any greater power over the consideration of appropriations by Congress than he now has. In my opinion the plan proposed will fall far short of accomplishing its real purpose if in its operation there should be any surrender by Congress of the minutest examination into every detail of the estimates, and the bill leaves Congress free and independent to act upon the proposals contained in the budget. Unquestionably, however, the estimates found in the budget will come to Congress after a more mature deliberation by the executive departments, and the work now required by Congress and its committees in making its investigation will be materially reduced.

AN ACCOUNTING DEPARTMENT CREATED.

In 1866 the Parliament of Great Britain enacted the exchequer and audit departments act. That act is a monument to the statesmanship of William E. Gladstone. It contains essential elements not found in our system, and it is contended by many who have studied budgetary legislation in the United States that by a similar law Congress would correct the evils resulting in the waste and extravagance of public funds. Indeed, there are those who think we should go no further at all at the present time than to provide for an independent audit and control of expenditures. The British exchequer and audit departments act of 1866 converted the nominal control by Parliament into a real control, and it has withstood the strongest tests that have been brought against it during the more than 50 years that this act has been a part of their statutory law. The comptroller and auditor general of Great Britain has broad powers not only in auditing all expenditures, but in investigating such expenditures. True, the investigation is a post mortem examination, yet in

practice that examination also served as a check and restraining influence in the making of the budget for the succeeding year.

The bill under consideration creates an independent establishment to be known as the accounting department. The functions of this office are similar in many respects to those of the office of the comptroller and auditor general in Great Britain. All powers and duties now imposed by law upon the Comptroller of the Treasury and the six auditors are transferred to the accounting department. At present Congress has no power or control over appropriations after they are once made. This control passes to the executive departments, and these departments practically audit their own expenditures, and the legality of expenditures by an executive department is passed upon by an official appointed, and who can be removed at any time, by the Executive. After appropriations are once made by Congress, the control over expenditure of the money appropriated passes from Congress.

Our present plan precludes serious criticism of an expenditure by an auditor or the Comptroller of the Treasury. These officials owe their appointment to the President. They can not be expected long to hold their positions if they should criticize wastefulness, extravagance, or inefficiency in any of the executive departments. This system is not only unscientific but it is impracticable. It contains no check against extravagance. No successful business man would adopt such a plan in the conduct of his business affairs.

The bill provides for a comptroller general of the United States and an assistant comptroller general of the United States, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive salaries of $10,000 and $7,500 a year, respectively. They shall hold their offices during good behavior and shall be removed only by a concurrent resolution of Congress on account of inefficiency, neglect of duty, or malfeasance in office, and the bill provides for the retirement of either of these officials when he shall have reached the age of 70 years. This tenure in office is necessary in order to secure competent men of high standing to fill the positions. The position is a semijudicial one and the tenure in office is made secure so long as the official performs his work in a fearless and satisfactory way.

By creating this department, Congress will have applied a practical business policy to the administration of the Government's fiscal affairs. Men will be employed as auditors who owe their positions to their training and ability and who do not secure their positions as a reward for political service. They will be fearless in their examinations, and can criticize, without fear of removal, executives who misuse appropriations or whose offices are conducted in an inefficient manner. Congress and its committees will at all times be able to consult with officials of this department regarding expenditures and from it will be able to obtain the most reliable information regarding the use to which any appropriation has been put or the efficiency of any department of the Government. This independent department will necessarily serve as a check against extravagance in the preparation of the budget. Those appointed by the President and charged with the duty of assisting him in collecting data and in preparing the budget will realize that their every act and decision will come under the close scrutiny of the accounting department. If duplications, inefficiency, waste, and extravagance exist as the result of any expenditure, the President will be held responsible therefor if he continues to ask for appropriations to continue such practices. The knowledge on the part of every executive and bureau chief that such an independent and fearless department exists, and that every act and deed they perform will come under the closest scrutiny of this department, will in itself force a much higher degree of efficiency in every department of the Government.

One of the greatest weaknesses in our present system lies in the fact that committees charged with the responsibility of considering appropriation bills have but little assistance in arriving at correct conclusions. The persons appearing before the committees of Congress in explaining estimated requirements are in the main the very bureau chiefs who prepared the estimates. Proud of their achievement and jealous of their power they appear before these committees to exploit the attainments of their respective bureaus, to cover up the shortcomings of their departments, and to minimize waste and inefficiency, no matter how great the extravagance may be. They magnify their accomplishments and either conceal or forget their shortcomings. They pad their estimates and stultify themselves in attempting to maintain them. Not infrequently do they fool Congress and its committees by securing larger appropriations than they know is necessary, but when these appropriations are once secured, in order to prevent a reduction in them in succeeding years, they proceed to spend the appropriation for things not contemplated when the grant was made. The result is an ex parte examination by Congress, and in this examination, even though made most searching and thorough, Congress too frequently hears only half the truth and sometimes gets an altogether erroneous conception of the real situation.

Even the heads of the executive departments, as a rule, are not informed as to the actual conditions of the separate bureaus under them. This fact has been clearly demonstrated by the appearance of Cabinet members before appropriation committees. Members of the Cabinet have too frequently demonstrated before such committees that they have no detailed information with regard to the departments they are administering. Indeed, so great has been the humiliation of members of the Cabinet in this regard that the practice which formerly obtained of members of the Cabinet appearing before appropriation committees in support of their estimates has practically passed into disuse.

The office of comptroller general will be a very important and powerful one. In some respects it may be compared to the office of the British comptroller and auditor general. How important that office was during the war and how it functioned when the British treasury, and even the House of Commons, failed to function is best told in the speech of the Hon. Leif Jones, made in the House of Commons on October 24, 1916. He said:

The honorable member for Huddersfield [Mr. Sherwell] has brought the House back to a consideration of the real subject matter of to-day's debate. It is a misfortune that in discussing the report of the public accounts committee the whole time should have been taken up with the grievances of one or two firms who happen to have come under the notice of the committee through the evidence given to it by the administrative department which had dealings with those firms. The work of the public accounts committee—I say this not from any prejudice in its favor, because I have sat upon it for 10 years—is of the utmost importance in the financial structure of this country. It is important in peace time, but I venture to say that it is tenfold as important now that a great war is being waged. The ordinary control of this House over finance has wholly disappeared during the war. We have no estimates. We have the estimates for the civil service, but there are no estimates for the war office or navy expenditure. The House of Commons has not the control which it exercises ordinarily through considering the estimates. Treasury control has largely disappeared. Both the great spending departments which deal with the war urge that the ordinary control of the treasury could not be exercised during the war because of the need for haste. The chairman of the public accounts committee pointed that out in his opening speech. He pointed out that the war has necessitated a great expenditure without any time to consider that expenditure. The result is that the treasury is not able to consider the expenditure before the departments, the war office, and the Admiralty make it. The only control which is left is control after the event, and it is most important, late as it comes, that that control after the event should be as thorough as possible and that there should be full investigation into those matters to which the comptroller and auditor general draws attention in his report upon the appropriation account. Although we are glad even to get the appropriation account in its present form, not in the form in which we shall have it after the war, the appropriation account and in the account of the comptroller and auditor general to enable the public accounts committee, which deals with that report, to know how the money of the nation has been spent and whether the methods which have been pointed out be bad are still bad—whether there has been improvement as the war goes on.

The honorable member for Galway has reminded the house of the great functions of the comptroller and auditor general, who, indeed, is the real guardian, on behalf of the House of Commons, of the purse of the nation. He is a great officer of state. He is not removable even by the Government of the day. He can only be removed on a petition from both Houses of Parliament. He is appointed expressly by this house to safeguard the expenditures of the country and to see that the accounts are properly audited and properly appropriated for the purpose for which this house intended. There is no power in the house nor in the prime minister nor in the cabinet to override the decisions of the comptroller and auditor general. He is one of the great officials in this country. He presents his report annually to the house. They are considered by the public accounts committee, and it is not only our right, it is bounden duty where the comptroller and auditor general has pointed out matters in connection with expenditure which to him do not seem quite right, or which require further investigation; it is, I say, our bounden duty to call attention to these matters in our report, so that the house may consider them.

If the comptroller and auditor general of the British House of Commons is the "real guardian, on behalf of the House of Commons, of the purse of the nation," the comptroller general provided for under this bill will become the real guardian of the Treasury of the United States. He will become one of the most powerful and useful Government officials, and, in my opinion, more real economy and efficiency will result through the creation of this office than any other single step we could possibly take.

The creation of an independent auditing department will produce a wonderful change. The officers and employees of this department will at all times be going into the separate departments in the examination of their accounts. They will discover the very facts that Congress ought to be in possession of and can fearlessly and without fear of removal present these facts to Congress and its committees. The independent audit will, therefore, I believe, accomplish a threefold result:

First. It will serve to inform Congress at all times as to the actual conditions surrounding the expenditure of public funds in every department of the Government;

Second. It will serve as a check on the President and those under him in the preparation of his budget;

Third. It will require every Cabinet member to make a study of his department, to the extent that he will become master of the work of the various bureaus under him. He will be made to realize what he has not realized in the past, that he will be responsible for the waste and extravagant use of public funds appropriated for the use of his department.

CONCLUSION.

I have referred to House resolution 324, which provides for a change in the rules of the House. That resolution takes from the Committee on Agriculture, the Committee on Foreign Affairs, the Committee on Military Affairs, the Committee on Naval Affairs, the Committee on the Post Office and Post Roads, and the Committee on Indian Affairs their present jurisdiction to report appropriation bills. It confers upon one committee of 35 members full authority to report all appropriation bills. I refer to the resolution at this time only to advise the House that it is not the intention to call that resolution up for consideration until the next session of Congress, and probably not until this bill has been enacted into law. It was the unanimous judgment of the committee that the bill we are considering to-day should be enacted into law. There is, however, some difference of sentiment in the committee regarding the advisability of passing House resolution 324, and when that resolution is considered, full and complete opportunity will be given the Members of the House to discuss it. I refer to it now in passing only to disarm criticism that would otherwise be made of the Select Committee on the Budget, if in reporting out this bill it failed to refer in some way to needed changes in the rules of the House.

The proposed legislation is of vital importance to the people of the United States. No legislation of greater import will engage the attention of this Congress. More than three years ago the political parties promised it. To-day the people are earnestly demanding it. In proposing this legislation we lay no claim that it is perfect. Time alone will develop its imperfections, and when they appear Congress should not hesitate to correct them. In my opinion this legislation is solidly founded upon sound business principles, and its adoption will mark the beginning of a new era in the financial history of the United States. Once enacted, this legislation will need no defender. The saving it will effect will speak more loudly than words can tell of its real worth. As Burke put the old Latin law, it will "give us a system of economy, which is itself a great revenue." [Applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. TILSON having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Dudley, its enrolling clerk, announced that the Senate had passed without amendment joint resolution (H. J. Res. 230) authorizing and directing the Secretary of Agriculture to prepare and issue a supplementary report on the condition of the cotton crop.

The message also announced that the Senate had passed the following resolution:

Resolved, That the Senate agrees to the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 12) authorizing the Clerk of the House of Representatives in the enrollment of the bill (H. R. 8624) entitled "An act to amend an act entitled 'An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel,' approved August 10, 1917, and to regulate rents in the District of Columbia," to make certain designated corrections.

NATIONAL BUDGET SYSTEM.

The committee resumed its session.

The CHAIRMAN. The gentleman from Tennessee [Mr. BYRNS] is recognized for six hours.

Mr. BYRNS of Tennessee. Mr. Chairman, several gentlemen have stated that the pending bill is one of the most important pieces of legislation that will come before Congress at this session. That statement, in my judgment, is entirely true. In view of the tremendous and enormous expenditures of our Government, which will continue for years to come, and the great amount of revenue that will have to be raised in order to meet those expenditures, I know of nothing more important than legislation which has for its purpose the improvement of the method of submitting estimates and making appropriations by Congress in the interest of economy and better efficiency in the Government service.

The chairman of the Special Committee on the Budget, the gentleman from Iowa [Mr. GOOD], has prepared and filed a report on this bill which very ably and comprehensively sets forth the reasons and the necessity for the adoption of some legislation of this kind and gives full explanation of the various provisions of the bill. I hope that all of the Members, if they have not already done so, will take occasion to read that report before the bill comes up for a final vote.

THE OBJECT OF THE BUDGET.

The Special Committee on the Budget has presented the pending bill for the consideration of the House with the very earnest conviction that, if enacted into law, it will not only result in a more orderly and businesslike method of making the appropriations necessary to run the Government, but that it will also bring about much greater economy and efficiency in the service. For a number of years many contributors to magazines and other periodicals and students of the budget system and its results in those countries where it has been established have strongly advocated the adoption by Congress of some sort of a budget system for our Government. True, many of them have differed widely as to just what kind of a budget system is needed. Some of them, it must be said, have written learnedly on the general subject, but have shown an amazing ignorance concerning our form of government and the principles of a budget system applicable thereto. They have extolled the British system as an ideal one and as one which could most profitably be applied in our Government, being either ignorant or forgetful of the fact that the two Governments are widely different in form, and that a successful budget system in one country could not possibly be applied to the other. In passing, it may be said that there is now going on in Great Britain a very severe criticism of its system, it being claimed that it not only deprives the people's representatives of a voice in the fiscal policy of the nation, but that it led to serious waste and extravagance in the late war. Other advocates have proceeded on the erroneous idea that a budget is needed to control and curb extravagance on the part of Congress rather than the executive branch of the Government. There are some who have written magazine articles and even books with this idea in mind, without even understanding the fundamentals of what they are writing about.

They were written in blissful ignorance of the fact that the House of Representatives, as the records will show, has always been the retrenching arm of the Government, for even the Senate seldom loses an opportunity to increase the amounts carried in the appropriation bills when they have passed the House. I do not mean to say that the House has not frequently been extravagant and perhaps wasteful of the people's money. But I lay it down as a fact that in the many appropriation bills which have been passed in the last 20 years there has not been over one or two in which the House did not greatly reduce the requests and estimates for appropriation which were submitted to Congress by the various departments of the Government—in many cases by many millions of dollars. And this is true of both Republican and Democratic administrations.

But, Mr. Chairman, regardless of this, there is undoubtedly much room for reform in the legislative as well as the executive branch of the Government. For some time, and largely as a result of my service on the Appropriations Committee, I have been very firmly of the opinion that in order to bring about greater economy and efficiency in the Government there ought to be a change in the present method of formulating estimates and submitting them to Congress, and perhaps in the manner in which they are considered by Congress, and certainly as to the control of the expenditures of our Government. As the expenditures of our Government have continued to increase year by year, it has become more and more apparent that in the interest of economy and efficiency there should be established some sort of a budget system. A budget may be described in general terms as a plan or proposal showing the estimated revenues and also the proposed expenditures of the Government during the ensuing fiscal year, or as it was defined in the hearings before the committee, "a budget is a prospectus of Government business for the year." As stated, it involves a statement of the Government income with the method by which the proposed additions to income are to be secured, and also the estimate of what it will take to run the Government as the law provides it shall be run, and such new services as the proposers may deem essential for the coming year.

I have said that the adoption of a budget has been advocated for a number of years. Among the most prominent advocates of such a system were former President Taft, both during and since his administration; Hon. John J. Fitzgerald and Hon. Swagar Sherley, both of whom were great chairmen of the Appropriations Committee; and President Wilson in his message to Congress on December 4, 1917. The necessity for some sort of a budget system was recognized to be of such great importance that both of the great political parties declared for it in 1916 in their national party platforms. Even then, however, although ably advocated by a number in both political parties and both in and out of Congress, there was no general public demand or public sentiment in favor of the inauguration of such

a system. No action was taken by Congress until the last session, when the House unanimously adopted a provision on an appropriation bill providing for the appointment of a committee to prepare budgetary legislation, but it did not become effective on account of the failure of the appropriation bill to pass the Senate. Some one has said that the Government, like the individual, is a creature of habit. This is entirely true. It is prone to follow along the old beaten path until strong pressure causes it to move to higher ground. And so long as our revenues exceeded our expenditures, and so long as it was possible to collect the necessary revenues by way of indirect taxation and the taxpayer paid his tax without knowing he was paying it, there was no general demand or particular desire on the part of the general public for economy or a reform in our financial and accounting system.

In order that there may be real and practical economy, it is essential that there shall be a public demand for it. The Government at Washington reflects the views, wishes, and sentiments of the people as their Representatives understand them; and if the people are indifferent to extravagance and unconcerned as to the amount of public expenditures, there is but little real resistance to the persistent and constant demand which is ever pressing on Congress for enlarged and new and untried Federal activities. As a result, the National Government is now performing many functions of government which really belong to the States and municipalities and could best and more economically be performed by them. The people are now watching the Government expenditures closer than ever, and as a result there has happily come a persistent demand for budgetary reform in the interest of economy and efficiency in Government service. The reason for this change is perfectly obvious. Experience has shown that after every war the people—at least for a time—have given a closer scrutiny to their Government's expenditures. There has always been a huge war debt to pay, and the people are brought face to face with higher taxes. These conditions have been multiplied many times by the last war, and the people are turning their eyes on Washington in order to see just how their money is being spent. It is this fact which makes it possible to do now what could not be done a few years ago—that is, to secure the favorable consideration of a measure revising our appropriating and accounting system in the interest of economy and efficiency.

The annual expenses of our Government are now many times greater than they were a few years ago, and they must continue so for many years to come, on account of the obligations incurred as a result of the war. They are now so large that only a very small part of the necessary revenue can be collected by way of indirect taxation. The great bulk of taxes collected for our National Government must come directly from the pockets of the people. Before the war our public debt was less than $1,000,000,000. To-day it has reached the stupendous figure of over $26,000,000,000, the annual interest on which alone amounts to more than the entire annual cost of our Government a few years ago. The Secretary of the Treasury has stated that, in his opinion, the deficit during the fiscal year will amount to $1,000,000,000, and that this will be taken care of by the last installments of the Victory loan. But he has uttered a solemn warning that if Congress does not practice economy, or if legislation is enacted creating large additional charges on the Treasury, another bond issue will be necessary, thereby not only adding to the burden of future generations but also the present generation by way of increased interest charges and the burden caused by a further inflation of public credit. Those who are urging some of the bills pending before Congress should very seriously ponder this solemn warning of the head of the Treasury. Business, agriculture, labor, industry of all kinds must contribute each year its share to the $4,000,000,000, and perhaps more, that will likely be needed to run the Government for some years to come on the most economical basis possible. These taxes will fall hardest on the man of moderate or small means, who constitutes by far the greater proportion of our solid citizenship. Everyone must recognize, therefore, the urgent need of the strictest economy in governmental affairs, and that public expenditures must be reduced to the lowest possible minimum consistent with efficient and proper service.

While it is perfectly manifest that a reform in our fiscal policy as it relates to expenditures is greatly needed, it is not within the facts to say, as some have said, that we have no laws on the subject and that the present system is entirely slipshod and haphazard. Present law directs the heads of the departments to submit their estimates of appropriations needed for their departments during the ensuing fiscal year to Congress through the Secretary of the Treasury, and the Secretary of the Treasury is required to submit a statement showing the estimated revenues for the next fiscal year, along with the estimated total expenditures for that year, which are the fundamentals of any and all budget systems. Under the law passed March 4, 1909, the President, whenever the estimated expenditures exceed the estimated revenues, is directed to recommend to Congress a plan either for reducing the expenditures or for raising the additional revenue to meet the anticipated deficit. It is, however, an evidence of a defect or weakness in our system when it can be said that, with only one or two shining exceptions, no head of a department shows the slightest effort to revise or prune down the estimates for his department, but accepts and transmits them just as they are handed to him by the various bureau chiefs. The inevitable result is that the estimates are invariably extravagant, for every bureau chief is interested in boosting his own bureau. He honestly believes that it is a most important part of the Government and that the interest of the Government and the people can best be served by magnifying it. This is natural and commendable, for a man is not worth his salt if he does not believe with all his heart in what he is doing. Undoubtedly the executive heads of the departments now have the power to revise and reduce these estimates, and certainly the Executive has; but the instances are rare when it has been done. It should be said, however, in all fairness, that Congress has never provided the machinery or proper agency through which it could effectually be done. That is what we propose to do by this bill, and thus fix the responsibility in a direct and positive way on the Executive, so that in the future if extravagant estimates are submitted the taxpayers may know just who is responsible therefor.

The bill provides that the President may appoint a director of a budget bureau. He is to be directly under the President, and is to be paid a good salary, so that a man of expert knowledge and skill may be secured. This man, with his assistant and a trained force under him, will study the various services of the Government and be able to advise the President as to their functions, with suggestions as to what, if any, reductions can be made. We all know that one of the great sources of extravagance in our Government is duplication of service. This has grown up not as a result of intent on the part of officials, but rather as a result of different interpretations of various laws. Many examples might be given, but I shall mention only two or three by way of illustration. For instance, there are chemistry bureaus in several departments, each functioning separately and with their respective overhead charges; services are being performed in the Departments of Interior and Labor similar in some respects to those being rendered by the Bureau of Public Health, which is under the Department of the Treasury. There is a clear duplication in the work being performed by the commercial attachés and agents under the Department of Commerce and the foreign-trade advisers and agents under the State Department. Under the present system of each department submitting its own estimates through the Secretary of the Treasury, without power on his part to revise them, there is no way whereby these duplications can be cut out, for each department head is anxious to maintain his own service. Congress is unable to consolidate them intelligently and without danger of doing injury to the service, because it lacks accurate information as to just how far these services duplicate or overlap each other, and it is difficult to get this information from a department which is interested in holding on to what it has. But under this bill all of these estimates will go to the President for transmission to Congress, with full power on his part to revise them, and, with the assistance of the expert force provided, he will be expected to cut out duplications, coordinating and combining different services doing the same thing under one department, thus saving overhead and also resulting in better efficiency. There were those who felt that this duty should be vested in the Secretary of the Treasury, for reasons which it is not necessary to state here, but the great majority felt that it should be more properly lodged with the President, who is elected by the people and, therefore, accountable to them, and who is also the supreme head of the Government, with power over all the departments.

By far the chief advantage to be gained by this bill, Mr. Chairman, lies in the fact that it fixes in the most direct and positive way upon the President the responsibility for all the estimates submitted. If they are extravagant, then the people will know who is responsible therefor. If he wishes to exercise economy, then he is given the means whereby he may carry this view into effect. And if, while exercising economy in the submission of the estimates, Congress should prove extravagant and increase them, then an issue is made and the people will know how to judge between them. You can neither have or expect good government, Mr. Chairman, unless there

is some one at the head upon whom rests the weight of responsibility. A system which relieves officials of responsibility for their acts inevitably makes for looseness, extravagance, and inefficiency in government. So I repeat the chief merit of this bill is that it fixes responsibility and brings the full light of public opinion to bear on those responsible, and in that way it will surely bring about a greater economy and efficiency in government.

The second step in the process of a budget is its consideration by the legislative body and final enactment into law. Any change in the present method of consideration by Congress will, of course, have to come by way of a change in the rules of the two Houses, and is, therefore, not attempted in the pending bill. A majority of the committee has recommended a change in the rules of the House so as to provide that all the estimates for every department shall be submitted to a single appropriation committee, with an enlarged personnel, so as to enable it to properly perform the work incident to the hearings and the preparation and passage of all the supply bills through the House. This plan, it is contended, is a wise one and necessary to full economy and the coordination of the various services of the Government. And I may say to my Democratic friends that it was made a part of the Democratic national platform of 1916 and was advocated by President Wilson in his annual message of December 4, 1917. I am perfectly well aware of the difficulty, if not impossibility, of making a change of this kind. I am frank to say that if the pending bill is adopted I do not believe this will be of such great importance as is claimed by some of its advocates. I believe that the adoption of the pending bill will do away with some of the reasons advanced in favor of one committee.

In this connection I wish to refer very briefly to a change which quite a few have advocated, influenced in some cases, I have fancied, by an undue admiration of everything that is British. And that is the insistence that a Member of Congress should be restricted in his right to offer an amendment to increase an appropriation over the estimates. Some urge that a Member should be denied this right altogether, while others advocate a two-thirds or three-fourths vote to adopt an amendment. In Great Britain the right to move to increase has been denied to members of Parliament for over 200 years, and the right to move to decrease is never resorted to. But, as I have heretofore pointed out, their system of government is different from ours. Under their method of procedure a failure to accept the estimates as submitted by the ministry is regarded as a vote of lack of confidence, and the ministry immediately resigns and goes to the country, and an issue is thus made, and sharply made at once, before the people. But not so under our form of government. When the President's estimates are rejected, there can be no immediate issue before the people. None can be made until his term of office has expired and a new President is to be chosen. I am opposed to any such restriction on a Member of Congress. It is contrary to the theory of our Government, under which all power is vested in the people. There is no greater power in government than that which controls the purse strings. It was for this power that the people of England fought for so many years, and when they finally succeeded in wresting it from the King he became a mere figurehead. Real government was vested in the people's ministers and in the Parliament, of which they are a part and to which they are responsible. I do not believe in clothing the President with the power to absolutely control the Nation's purse strings to the exclusion of a majority of the direct representatives of the people. It would be giving to him a power which it was never contemplated that he should have, and, to my mind, would be a clear departure from all the principles which underlie a republican form of government.

What may be called the third step in the consummation of an effective budget system is the audit and control of the expenditures of the Government. I think it will be admitted that the control of expenditures should properly be vested in the fund-granting rather than the fund-spending department. No private business of any magnitude would permit its executive officers, who are charged with the duty of handling its finances, to audit their own accounts. And yet that is exactly the course pursued in our Government under the present system. Congress makes the appropriations necessary to run the Government and the executive departments spend the sums appropriated and their accounts are audited by an auditor for each department and over whom Congress has not the slightest control or jurisdiction. The result is that Congress has no control over expenditures. It can not have complete control of expenditures without some system whereby the expenditures may be subjected to an examination by independent officers for the purpose of seeing whether or not the wishes of Congress in making the appropriations and any conditions imposed in making the grants were carried out in good faith. Congress repeatedly throws safeguards around appropriations and imposes checks, more or less cumbrous, but it must be conceded that this does not give the real effective control to which I am alluding. This can only be secured by ascertaining through its own independent officers just how the money has been spent. Otherwise, conditions may be solemnly imposed only to be lightly disregarded.

The pending bill seeks to prevent this by making provision, as far as can be done under our Constitution, for an officer responsible only to Congress, whose duty it shall be to audit and pass upon the legality of all Government expenditures. This is the practice followed by every other great nation in the world. This officer, who is to be known as comptroller general, and his assistant must, under the Constitution, be appointed by the President, and it is provided that they shall be confirmed by the Senate. Their term of office is indefinite, subject to involuntary retirement at the age of 70 years and to removal only by a majority of both Houses of Congress when found to be inefficient or guilty of neglect of duty or of malfeasance in office. They will thus not be subject to changing political administrations, but good and faithful service will be the test which will be applied to determine whether or not they shall be retained in office. The offices of the various auditors are transferred to this accounting department and reports as to expenditures will be made direct to Congress and such investigations made and information furnished as may be required by Congress and its committees relative to the use to which money already appropriated has been applied and the necessity of the appropriations which are being asked for the future. For, let me say just here, it is not intended by the enactment of this proposed law that the Appropriations Committee of Congress shall no longer hold careful hearings in order to determine whether or not the estimates submitted shall be allowed. It is intended to make the President responsible for the estimates which are transmitted to Congress. There his responsibility ends. Congress will be responsible for the action taken on the estimates, whether it be to increase or reduce them. And in order that it may properly meet this responsibility its committees should continue to give the closest scrutiny to every item of appropriation which is requested.

In conclusion, Mr. Chairman, let me say that it will not be contended by any member of the Special Budget Committee that the bill proposed is perfect in all of its details. Perfection can come only by the process of evolution. It is expected that it will be improved by amendment in the future in such manner as experience may demonstrate to be wise and proper. It is, however, confidently offered as a great improvement over the present system and in the earnest belief that, if enacted, it will bring about greater economy and better efficiency in the Government service. As has been well said, its adoption will not require the surrender of power by either branch of the Government, but it will enable both the executive and legislative branches to understand each other and the public to understand both. New Federal activities, the constant demand for the creation of others, and the enormous expenses made necessary by the war make the importance of a budget far greater to-day than ever before. Our expenses to-day are far greater than our revenues, and the people demand that the most rigid economy shall be practiced. A budget system makes it possible to closely consider and study both the revenues and expenditures of the Government at one and the same time, and in this way only can we hope to bring about that economy which the people demand and have the right to expect of their public servants. [Applause.]

Mr. BANKHEAD. Mr. Chairman, will the gentleman from Tennessee yield for a question?

Mr. BYRNS of Tennessee. Yes.

Mr. BANKHEAD. Under the proposed system contained in this bill, take, for illustration, one of the departments, say, the Treasury Department. It has been the observation of a great many of us who have been to these departments that there are a number of employees sitting around in the corridors and in the offices who do not seem to be at work, who do not seem to be actually necessary, so far as numbers are concerned. Assuming the argument is true which the gentleman made awhile ago, that it is perfectly natural for the head of a bureau or a department to enlarge the activities of his department and to continue to recommend this number of employees, if, as a matter of fact, they are not, from the standpoint of strict business, necessary, how would a decision of that sort be reached under the proposed bill cutting off any number of employees who were not absolutely essential to the proper conduct of the bureau?

Mr. BYRNS of Tennessee. I think the statement of the gentleman, as applying to one or two departments, is one that applies to nearly all departments.

Mr. BANKHEAD. I use the Treasury Department merely as an illustration.

Mr. BYRNS of Tennessee. I think the adoption of this bill or the plan proposed under the bill would very effectively dispose of that very matter, and that was one of the reasons that influenced a great majority of the committee in placing this power to revise the estimates under the President. In other words, this bill provides for a budget bureau, at whose head shall be a director and an assistant, to be appointed by the President and to be under his direct jurisdiction and control. It is to be expected that the director of the bureau and his assistant, together with the trained force they will have, will throughout the year make close inspections of the various departments, not only as to the functions of each particular service and bureau in the department but also as to the necessity for the appropriations which have been made and under which they act, in order to arrive at just what suggestion they may make to the President when he is called upon to revise the estimates for future appropriations. These estimates will come from the head of the departments.

They will be sent to the President and it will be the duty of the President to send them to the Congress. He is provided with a bureau, some of whose employees will be paid good salaries in order that he may get the most expert advice. It is to be expected that he will call upon his director of the budget bureau for information as to the various services in an effort to secure economy and reduce estimates, and these persons, who are employed throughout the year, who have been making their investigations throughout the various departments, will be able to advise the President as to whether or not reductions can be made. In addition to that it will have this other very wholesome effect: If the head of a department, and particularly the head of a bureau, knows that his chief, the President of the United States, is anxious to relieve the people of as much expense as possible and that he has officials who are making these investigations day by day, week by week, and month by month, he will be more careful to see that expenses are cut down before they reach his chief for proper revision.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. TILSON. Will the accounting department have anything to do with this? Will they look into the efficiency of the employees of the various bureaus?

Mr. BYRNS of Tennessee. They will indirectly and very effectively, I think. Of course, it would be highly improper, I take it we will all agree, for the accounting department to be given authority to interfere with the administrative features of the various departments, but the accounting department will audit all of their expenditures. The comptroller general will pass on the question of whether or not the departments have made their expenditures in accordance with the law. He or his department will also be looking into the departments for the purpose under this law of making suggestions to Congress and its committees in the formulation and preparation of the various appropriation bills.

Mr. TILSON. In other words, it is the gentleman's idea to have the accounting department report to Congress and to be in a way under the control of Congress, whereas the budget department would be entirely under the President.

Mr. BYRNS of Tennessee. Under the control of the President.

Mr. TILSON. And it will be supposed to be in harmony with the President and with the various departments of Government under the President.

Mr. BYRNS of Tennessee. Yes; at least in harmony with the President and his policies, because the gentleman knows that every appropriation to a certain extent carries with it a question of policy, and it would be eminently unwise, it seems to me, to place under the President some man who is not strictly in sympathy with him in order to give him advice as to just what he should do with reference to the estimates that are transmitted to Congress. The director of the budget, therefore, is to be appointed by the President without the necessity of confirmation by the Senate. When it comes to the accounting officer, who is directly responsible to Congress, he is appointed by the President, it is true, and confirmed by the Senate, but removable only by concurrent resolution of both Houses of Congress. In addition to what the gentleman has said, this bill makes the accounting officer subject not only to the Congress but to all of its committees, and at any time that any committee having under consideration an appropriation or any matter involving revenue or expenditure in any way desires information, that committee can call for the comptroller general, or for some one of his assistants, and, if necessary or thought desirable, send him down to the departments for the purpose of securing the information they wish.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. ALEXANDER. The gentleman from Alabama [Mr. BANKHEAD] asked if this budget committee would have any supervision over the expenditures in the different departments. Hardly an appropriation bill is submitted or an estimate from the departments that does not involve increased expenditure because of increased personnel in the departments.

Before this budget is made up and sent to the Congress it will necessarily involve an examination in the departments to determine if the force in the departments is sufficient, and in that way in the first instance all these expenses will be visèed to determine whether the increased expenses are necessary for the administration of the work of the departments?

Mr. BYRNS of Tennessee. The gentleman is clearly correct.

Mr. DENISON. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. DENISON. I would like to inquire under what theory the committee acted when they provided that the budget officers should not be confirmed by the Senate but simply appointed by the President?

Mr. BYRNS of Tennessee. Well, that applies only to the director and assistant director of the budget. The bill specially provides that the employees necessarily employed in the work on the budget, with the exception of those two officials, shall be taken from the civil service. Now, the theory upon which the committee acted was this. As I said a moment ago every appropriation to a certain extent involves some matter of policy, either large or small. Now, this bill undertakes to make the President responsible for the transmission of these estimates. It undertakes to fix upon him the responsibility for the size of the estimate and the various requests submitted for appropriations. Now, it was thought that it would be manifestly unwise and unfair to fix this responsibility upon the President and then not to give him a free hand in the appointment of the director and the assistant, in whom he should have absolute and unquestioned confidence. They should be thoroughly in sympathy with him and his policies, because the gentleman can readily understand that if you were to provide for a director of the budget and give him a term of, say, six years you might have one administration go out and a change from one party to the other in the next administration, and it would be unfair to the incoming President to fix the responsibility upon him and at the same time give him an assistant to help carry out that responsibility appointed by his predecessor, and possibly not in sympathy with his announced policies.

Mr. DENISON. Of course that would not be the best policy, but I was wondering why these important officers should not at least pass the scrutiny of some one else except the President. Otherwise I should think they would be of no value to the President at all They will do exactly as he suggests to them to do.

Mr. BYRNS of Tennessee. That is to be expected, but if the President himself is not anxious to practice economy neither Congress nor the country can expect any great results from his action with respect to these estimates, but I assume that every President is anxious to bring about economy, and certainly from now on they will be extremely anxious to do so, and I assume, having the right to select two experts to give him advice and who will be close to him and in whom he will put the greatest kind of confidence, he will select men not only above reproach but in whom he can put that sort of trust. Now, if you undertake to give the Senate the right of confirmation, why it would have the power to hamper the President. We are, as I said, trying to put this responsibility directly upon the President and make him responsible and to leave no loophole whereby anyone can escape from that responsibility. I can imagine a case where a President might appoint someone as his director of budget and possibly an indifferent or perhaps a hostile Senate might hold the appointment up. So it seemed to the committee, with respect to these two men, who are to be his close confidential advisors, that he ought to have a free rein in making these appointments. Now, the gentleman understands it is a different policy we pursue in reference to the Comptroller General.

Mr. DENISON. I understand that. Of course, the gentleman understands there is a very wide sentiment in this country against any personal employees of that kind or personal officers of that kind——

Mr. BYRNS of Tennessee. That is true.

Mr. DENISON. I think there is opposition throughout the country.

Mr. BYRNS of Tennessee. And I am in entire sympathy with the suggestion made by the gentleman, but I think with respect to those two officers it is an entirely different proposition.

Mr. TILSON. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. TILSON. So, in order to have the President made responsible for this as nearly as possible, you give him officials related in a very special degree close to him. In other words, this gives him another hand or another arm which enables him to do work which he can not by reason of his present limitations perform alone.

Mr. BYRNS of Tennessee. Precisely. And these men will proceed to do that which he would do if he had the time and opportunity.

Mr. TILSON. I understand that.

Mr. JONES of Texas. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. JONES of Texas. I would like to ask the gentleman what provision has been made for giving the House the benefit of any hearing that may be conducted. Under the present system we have hearings before the committee which are available for the membership of the House.

Mr. BYRNS of Tennessee. I will say to the gentleman I do not know just how many were printed. The chairman of the committee, I am sure, provided——

Mr. JONES of Texas. I am not talking about that; I am talking about after the bill is passed. Under the present system the Appropriations Committee conducts extensive hearings, and the House is enabled to vote very intelligently on any specific item. If a Member desires to do so, he can go and look up the evidence in reference to any particular item of appropriation. Now, I have read the bill very hastily, and it says the President may furnish data and information if he sees fit to do so. Suppose he does not see fit to do so? What information will the House have to vote intelligently on any proposition that may be presented?

Mr. BYRNS of Tennessee. This bill requires him to do so in so far as we can require the President to do anything.

But this bill has nothing to do with the consideration of estimates after they reach Congress, by its committees or by the Committee of the Whole.

Mr. JONES of Texas. I understand; but if the President is going to be made responsible, and if in the language on page 3 he will submit this data, it seems to me you are getting the question of appropriations far removed from the Representatives.

Mr. BYRNS of Tennessee. The gentleman understands, of course, that the President is made responsible only for the transmission of the estimates to Congress. They now come through the Secretary of the Treasury, and really nobody is responsible, because nobody has the power to revise them except the head of each department. Now, such data as the President may send in support of the estimates submitted will, of course, be sent to the Speaker of the House and will be published as a public document, no doubt, or perhaps in a book of estimates, as they are now published.

Mr. JONES of Texas. I understand that is true, but at the present time the Appropriations Committee has this responsibility, rather than the President, and the Appropriations Committee is practically required by the House to conduct these hearings and get the information that we need. Now, you are taking it out of the hands of the House practically—that is, you will not take your appropriations out of the hands of the House, but you are letting the President secure all the data and information, and, as I gather from the reading of the bill, there is no provision for the conduct of hearings. I am asking the gentleman for information.

Mr. BYRNS of Tennessee. I understand. This bill only does two things. It does not undertake to deal with the estimates after they come to Congress and their consideration by Congress. That matter would involve, of course, a change in the House rules, and it could not be done in the form of law, and therefore would come up under a separate resolution.

Mr. JONES of Texas. Was it contemplated by the committee that hearings would be held and would reach the House?

Mr. BYRNS of Tennessee. Undoubtedly.

Mr. JONES of Texas. I did not gather that from the bill, and that is the reason that I asked for information.

Mr. BYRNS of Tennessee. This does not make any change in respect to that. The gentleman, of course, knows that under the present system each department chief sends his estimates to the Secretary of the Treasury by October 15, and he is required to arrange and classify them and send them to the Speaker of the House by the first day of the session.

Mr. JONES of Texas. As I understand the gentleman, it is not to interfere in any way with the full investigation by the House through its committees with any items that make up the budget?

Mr. BYRNS of Tennessee. Not at all. And I should be much opposed to Congress denuding itself of that power.

Mr. CRISP. This makes it obligatory on the President to send the estimates instead of the departments, and when the estimates are here it is in the power of Congress to have hearings and to say whether the amount should be appropriated or not?

Mr. BYRNS of Tennessee. The gentleman is right.

Mr. MOORE of Virginia. Will the gentleman yield for just one question?

Mr. BYRNS of Tennessee. I will.

Mr. MOORE of Virginia. I find in this large volume here, containing the report of the hearings, that Secretary Glass and other gentlemen seem to assume that, apart from any disposition that is made of this, lies the disposition by the House of Representatives and Senate. I understand this bill deals exclusively with the action of the Executive in the beginning and in the end. It does not deal at all, as the gentleman said a moment ago, with the action of Congress, because that would require a change in the rules. As I understand, House resolution No. 324 proposes to change the rules. This is the question I wanted to ask for information: Will my friend explain a little further why the consideration of that resolution is to be postponed quite indefinitely, as I understood from the chairman of the committee, if it be true it is considered important in the estimation of many of the people who testified, primarily important, with the method of disposing of the budget when it comes in from the Executive by Congress, why should there be such an indefinite postponement of House resolution 324?

Mr. BYRNS of Tennessee. I am sorry I can not advise the gentleman as to the reasons why the chairman proposes to postpone consideration of the resolution.

Mr. MOORE of Virginia. My friend will understand I am not criticizing. I am looking for information.

Mr. BYRNS of Tennessee. I understand, but I can only explain to the gentleman that, not being the author of the resolution, I do not know just why its more earnest advocates desire to postpone its consideration. I do not mean to say by that that I shall not vote for the resolution when it comes before the House. I rather think I shall vote for it. I take it, I will say to the gentleman from Virginia, that one reason that probably influenced those in control of it to suggest that it would be postponed was the fact that it is expected that it will have pretty hard sledding when it comes before the House, whereas the pending bill, it is thought, will receive practically unanimous approval.

Mr. TAYLOR of Colorado. Let me ask the gentleman if this thought did not come before the committee, that both the Senate and the House will be very busy from now on until we hope the session will adjourn, some time in the very near future, and we may have a little bit of vacation before we meet on the first Monday in December? And another reason, if this bill is not passed and does not become a law there will be no use of considering that resolution. And we thought this ought to become a law, and then they could go on and not take the other matter up until December.

Mr. MOORE of Virginia. I may say that, barring the question of a vacation, I had supposed if the bill should be passed it would be a logical thing to follow it at once with this resolution, which proposes the change in the rules, so as to have the reform complete, if reform is to be made, before you can start considering next year's appropriations, or perhaps the appropriations for the year following.

Mr. TAYLOR of Colorado. There is an alternative budget here that takes care of this.

Mr. DUNBAR. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. DUNBAR. On page 7 you provide for the appointment of the comptroller general of the United States and assistant comptroller general, who shall be appointed by the President, with the advice and consent of the Senate. Now, further down in the same paragraph you provide for the terms under which the comptroller general and the assistant comptroller general may be removed. It says:

> The comptroller general and the assistant comptroller general shall hold office during good behavior, but may be removed at any time by concurrent resolution of Congress after notice and hearing, when, in their judgment, the comptroller general or assistant comptroller general has been inefficient, or guilty of neglect of duty, or of malfeasance in office, and for no other cause and in no other manner.

Now, when it is proposed to remove the comptroller general and his assistant, the President is not taken into consideration, and inasmuch as the President is to be held primarily responsible for the conduct economically of the budget system, why this provision, which might permit a hostile Congress to remove the comptroller general and his assistant?

Mr. BYRNS of Tennessee. The gentleman understands, of course, that the comptroller general and assistant comptroller general have nothing to do with the transmission of the estimates or with their formulation or presentation to Congress. The comptroller general or assistant comptroller general have only to do with the auditing of accounts. In other words, as the gentleman from Iowa [Mr. GOOD] expressed it in the course of his remarks a few moments ago, they make a post-mortem examination of the expenditures made by the Government. Now, it was the thought, and I am sure the gentleman will agree, that Congress, which makes the appropriations, should have the ultimate control of the expenditures; and the only way to do that was to provide that Congress should have independent officers to make report as to how the money was expended.

Mr. DUNBAR. Then the object of providing for the removal of the comptroller general and his assistant by Congress is to enable Congress to have a check on the administration in seeing that they properly perform the duties of their office?

Mr. BYRNS of Tennessee. The gentleman is entirely correct. In other words, it is to do away with the present system, whereby the fund-spending department audits its own accounts, and provide that the fund-granting branch of the Government shall audit the expenditure of those grants.

Mr. WELLING. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. WELLING. Are the proposed functions of the comptroller general different in any great degree from those now performed by the Comptroller of the Treasury?

Mr. BYRNS of Tennessee. They are not. They are practically the same thing. They will embrace principally his duties and the duties of the auditor. But I understand now, under the order issued by Secretary McAdoo, the auditors are under the Comptroller of the Treasury, so that you might say that the comptroller general's functions will be the same as those now performed by the Comptroller of the Treasury.

Mr. WELLING. You say that the duties of the comptroller shall be taken over by the comptroller general?

Mr. BYRNS of Tennessee. Yes.

Mr. GARNER. And he can question the propriety of certain expenditures that do not meet his approval, whereas under the present conditions he has not that authority?

Mr. BYRNS of Tennessee. Yes. I am glad the gentleman made that suggestion.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. YATES. On page 7 there is a provision for the comptroller general, and the provision already referred to, that unless removed by a concurrent resolution by Congress he shall remain in office until the age of 70. I would like to inquire what determines the term of office of the officers mentioned on page 1?

Mr. BYRNS of Tennessee. They are subject to the will of the President.

Mr. YATES. They are subject to the will of the President?

Mr. BYRNS of Tennessee. Yes.

Mr. YATES. Like the Comptroller of the Currency, there is no fixed term?

Mr. BYRNS of Tennessee. There is no fixed term.

Mr. YATES. And are the duties specifically defined here—the difference between the director of the budget and the assistant director of the budget and the comptroller general? The duties of the comptroller general seem to be set forth pretty amply. Where are defined the duties of the director and assistant director of the budget?

Mr. BYRNS of Tennessee. The gentleman will find those duties set forth in section 2. Really the duties of the director of the budget are to advise the President in the matter of submitting estimates. They will be fixed by the President, and he will perform such duties as the President may desire him to perform, either in the way of investigation or advice or suggestion.

Mr. DUNBAR. May I ask if the relation of the head of the bureau of the budget with the President in the administration of the budget system is not somewhat similar to the position Col. HOUSE now occupies to the President?

Mr. BYRNS of Tennessee. Well, I do not know just what the relations of Col. HOUSE are to the President, I will say to the gentleman; but I do know this, that under this law the director of the budget is expected to be a very close and confidential adviser of the President in respect to these particular matters.

Mr. DUNBAR. He should be, and it is evident that he will need some one in that close personal relation in order to enable him intelligently to perform the new duties that are proposed to be assigned to him.

Mr. BYRNS of Tennessee. The gentleman is clearly correct.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. DENISON. May I ask the gentleman one more brief question?

Mr. BYRNS of Tennessee. Yes.

Mr. DENISON. I notice on page 7 of the bill that it provides that the comptroller general and assistant comptroller general may be removed by a majority of the two Houses for three specific reasons, and that it is expressly limited to those three. One of them is that he has been adjudged inefficient; and another, guilty of neglect of duty; and the other is malfeasance. He can not be removed for any other reason?

Mr. BYRNS of Tennessee. No; not under this law.

Mr. DENISON. Would ill health be considered inefficiency? In the judgment of the gentleman from Tennessee, if he should fall into bad health, would that be considered inefficiency?

Mr. BYRNS of Tennessee. If his ill health was such as to prevent him from performing the duties of the office, I would say yes. Of course, that would be for the Congress to determine.

Mr. DENISON. The gentleman thinks that the term "inefficiency" is broad enough to cover a case of protracted ill health. In the ordinary acceptation of the term that would not be so considered. A man might be very efficient, and yet be unable to perform the duties of his office by reason of ill health. Ordinarily the gentleman will understand that inefficiency does not cover a case of bad health or something of that kind.

Mr. BYRNS of Tennessee. I catch the force of the gentleman's suggestion.

Mr. DENISON. For instance, I take it that no one would question the efficiency of the President at this time, but certainly he is in a very bad condition of health.

Mr. GARNER. I imagine that when you get into Committee of the Whole an amendment could be offered as to incapacity to fulfill the duties of the office.

Mr. DENISON. I ask the question for that reason.

Mr. BYRNS of Tennessee. I see no objection to the adoption of an amendment of that sort.

Mr. DENISON. That is the reason why I asked the question.

Mr. KINKAID. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. KINKAID. Does the gentleman believe that the language of the bill necessarily requires a supervision to the extent of rgulating the number of employees in any branch?

Mr. GARNER. Congress does that.

Mr. KINKAID. I understood the gentleman a while ago either to expressly say or to imply, at least, that these new officers would supervise the number of employees or advise as to whether there were too many employees.

Mr. BYRNS of Tennessee. No. The gentleman misunderstood.

Mr. KINKAID. Or advise the President about gauging the appropriation based on the number of employees.

Mr. BYRNS of Tennessee. Yes; I take it that if there was an estimate transmitted to the President for transmission to Congress by a certain bureau in which the bureau had stated that it needed a certain number of employees, or a certain amount of money in order to pay a certain number of employees, the President, if disposed to do so, could direct the director of the budget to report to him as to whether or not they were asking for too many; and if so, he could reduce them.

Mr. KINKAID. Then when making an estimate for the existing number of employees, which will be the case, I presume, in most instances, would the President be held responsible for the number of employees to be appropriated for?

Mr. BYRNS of Tennessee. That is usually the case now.

Mr. KINKAID. Then, should the President raise the question of the number of employees? That is, does the bill contemplate that the President will be held responsible in that respect?

Mr. BYRNS of Tennessee. Exactly. The bill contemplates that the President will use this bureau of the budget for the purpose of making investigations of all the departments, year in and year out; that they will collect data showing the functions of the various bureaus, possibly their history, and so forth; their number of employees, just what they are doing, whether or not they are functioning properly, and so forth, and will have that data subject to the call of the President; and when he comes to revise these estimates and send them to Congress, he will have this data and also the advice of his director of the budget, so that he will know whether or not he can safely reduce them, or whether they should come to Congress as transmitted to him.

Mr. KINKAID. The gentleman will pardon me for not having read the bill. It is quite new to me. Now, is there any language contained in the bill which is express enough to im-

pose this duty on the President, to scrutinize as to the number of employees?

Mr. BYRNS of Tennessee. Undoubtedly.

Mr. HUDSPETH. I have not had time to read the bill and I want to ask a question about something which may be embodied in the bill. I see on page 2, in section 2, it is provided that the President shall transmit to Congress an estimate of all appropriations necessary for carrying on the functions of the Government. Now, we are called upon from time to time to pass emergency appropriations. Will those have to be submitted by the President to Congress—the emergency appropriations?

Mr. BYRNS of Tennessee. Yes. That is in the bill.

Mr. HUDSPETH. I had not read that far in the bill.

Mr. BYRNS of Tennessee. If the gentleman will refer to page 6, section 8, of the bill, he will find that provision is made for the transmission of deficiency estimates and for expenditures under any new laws that may be passed by Congress.

Mr. HUDSPETH. Or for any deficiency that may occur under an old law?

Mr. BYRNS of Tennessee. Yes. Mr. Chairman, I reserve the balance of my time. [Applause.]

Mr. GOOD. I yield 45 minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman and gentleman of the committee, I think it may well be said that the subject under discussion is one of the most important that has ever come before the Congress. To transform the finance system of the United States is a problem that may well attract the attention of the American people, and it surely should attract the attention of the representatives of the American people in the Congress.

The period during which we lived as a Nation before the war was one in which the revenues were collected from indirect sources, and those who paid the taxes really did not feel the burden. The total expenditures of the Government from the day the Declaration of Independence was proclaimed until the day the war against Germany was declared amounted to about $25,500,000,000. It may be information to the public to know that since the war began until the present time we have appropriated $51,500,000,000, and that the revenues which we derive now are not all by indirect taxation, but the great bulk of them is by direct taxation.

Until 1913 there was no income-tax law which enabled the Government to levy an income tax against the individual. To-day we have in our citizenship more than 3,000,000 men and women who pay income taxes.

The annual expenditure for the maintenance of all activities of the Government prior to America's entry into the war was about $1,500,000,000. Our bonded interest-bearing obligations before the war were less than $1,000,000,000. The average annual interest charge amounted to about $22,000,000.

When all the obligations resulting from the war are paid and all the contract obligations are settled, I think it is fair to say that the interest-bearing obligations of the United States will amount to about $34,000,000,000, and that the average annual interest and sinking-fund charge will be approximately $1,500,000,000. So we see at once that the interest charges against the Government in the future will be equal to the total cost of maintaining every activity of the Government prior to the war.

The citizens of the United States are to be taxed more heavily than they ever have been taxed before, not only for periods near but for periods remote. The burdensome taxation will be imposed not only upon those of the present generation but upon generations that are yet to come, and instead of having an annual charge for the maintenance of the Government of about $1,500,000,000 it is fair to assume that we are going to have an average annual budget amounting to about $5,000,000,000, and that most of this must be collected from the people in the form of direct taxation. We can not go to the people and ask them to buy bonds to meet the obligations of the Government. We must meet the expenses of the Government by direct taxation, and so we have reached a condition requiring reform in our system of finances.

There is a growing tendency among the American people to criticize the extravagance of the Congress, and a justly growing tendency to criticize the increasing extravagance of the executive branch of the Government. The men who are to be in public life in the future will be looked to to institute every economy that it is possible to introduce in order that the people of the United States may be relieved from burdensome taxation. And so we to-day, coming as we do with this proposition for legislation to reform the financial methods of the Government, appeal to the House and to the Senate to join in a movement calculated to be of infinite relief to the American people in the days to come.

The ship of state has been sailing on an uncharted sea. She has passed through one of the greatest storms that ever blew. She has reached a stage where she is water-logged. The captain of the ship is informed by the watch that he sees the danger lights ahead, and the captain orders a reckoning taken in order that the ship may not be cast upon the rocks. The storm has opened the seams of the ship. She is leaking at every pore. The engines have been put out of commission. They are unable to pump the water from the hold fast enough to keep the ship afloat. The piston rods have blown through the cylinder heads of the engines, the crown sheet has burned out because of the inability of the pumps to supply the boilers with water, and the ship is in danger of being foundered. The sailors have come to the rescue. They are pumping to the best of their ability, and we who have recommended the consideration of this bill may be classed as the sailors who are advancing the movement for the preservation of the ship of state.

We have had in all the years past a slipshod method of conducting the financial business of the United States. There has been no correlation in the legislative and executive branches of the Government. No one has been responsible, or, if so, no one has accepted the responsibility of recommending a budget to the Congress for the appropriations needed to maintain the Government.

Every bureau chief has felt that he had a right to make up an estimate of the needs of his bureau without respect to what anyone else might think about it, and every bureau chief with definite ideas has been anxious to make his bureau the most potent bureau in the Government.

In the Navy Department, with 11 bureaus, each bureau chief makes up what he thinks to be the needs of his bureau. He submits those needs to the Secretary of the Navy. The Secretary of the Navy compiles them in a single recommendation to the Secretary of the Treasury, but he does not feel that he has the power, even though he may have the right, to criticize or prune the recommendations made by the bureau chief.

The Assistant Secretary of the Navy, testifying before the Budget Committee, said that the Secretary of the Navy, or his assistants, felt that they had no power whatever to remedy any wrong that might result from the present method of making up estimates for bureau chiefs' needs. When he was asked if they did not have the power under the law to change the policy of the bureau chiefs he said he did not think they did. When he was asked if they had ever recommended a change in the law to give them the power he frankly admitted that they never had. But he said if some such system as we propose in this bill should be enacted into law he could almost guarantee the Navy Department would be conducted at 20 per cent less cost than it is to-day. That is a startling statement, but I think it could be done, and if it could be done in the Navy Department it could be done in each and every department of the Government.

Twenty per cent of $5,000,000,000, the annual estimated expenses of the Government, would be a billion dollars. A billion dollars per annum taken from the backs of the American taxpayers would be a great relief. It would lighten the load; it would enable the Congress to go back to the people and say that it had done the best that could be done. Every man in Congress ought to join in this movement. It is a movement bound to be approved by the American people.

All the bureau chiefs, the heads of all departments, now assemble their demands for financial needs for the conduct of their bureaus and departments and submit those demands to the Secretary of the Treasury, who, with the small clerical force at his command for that purpose, tabulates them and hands them over to the Congress for their consideration. But no one ever attempts to scrutinize the demands of the departments until they come before the committees of the Congress. I am proud to be able to say that Congress and the committees have scrutinized the estimates of the departments in the past, and in the past 20 years they have appropriated $500,000,000 less, if I recall, than the estimates that the departments called for. So that it can not well be said that the extravagance, if such there has been, can be laid at the doors of the Congress.

Now, what does this bill propose? It proposes that instead of an irresponsible system of making estimates for Government needs there shall be a scientific and responsible system. What is that scientific and responsible system to consist of? It is to impose on the President of the United States the responsibility of assembling all the estimates of the bureaus of every department and independent Government establishment and providing for such pruning in the estimates made by bureau chiefs and department heads as may be justified by the needs of the Government activities.

But it has been said by many that the President is too busy a man; that he is already overburdened with work and ought not to be charged with this new responsibility. My reply to that is that the President, being the only elective official that represents all the American people, is the only man upon whom

the responsibility should be placed. The President alone has the power to say to every Cabinet officer that the expenditure within his department shall not exceed a certain amount within any given year, and he under this law, if it becomes a law, is to be furnished with an organ consisting of an organization presided over by a man who has sufficient executive ability to organize a force and to assemble information upon which the President may base an intelligent judgment.

The organization which it is proposed to create under this law will be the instrumentality by means of which the President will not only have the power but he will also have the facilities and the knowledge and the experience by which he will be able to present to the Congress a photograph of the annual Government needs and a statement of the revenues with which to meet those needs. The proposition will be, I assume, that when the President appoints a man the head of an organization, such as this bill proposes, he will appoint a man qualified to perform the onerous task to be imposed upon him. I assume that it will be one of the first functions of this organization to call upon every bureau chief within the Government to write a monograph of his own bureau, telling not only how the bureau came to be formed in the first instance, but what the activities of the bureau consist of. Not only shall this bureau chief be compelled to write the story of the functions of this bureau but the story of each activity under every function. In this way this organization, which is to be supplied to the President, will be constantly at work. It will become expert in the knowledge of the bases of the Government. Somebody will be enabled for the first time, then, to realize what the various activities of the Government mean, how they came to be established, what the purpose of each bureau is, what its function is in the Government, what extravagances, if any, have been practiced by the bureau in the past, and what economies may be introduced in the proper conduct of the bureau in the future. It has been said that the organization that is to be supplied to the President will assume superior jurisdiction over a Cabinet officer, and that, therefore, there will be friction in the various departments, but we all must remember that the bureau that we are supplying to the President is the instrumentality of the President, who is to be held personally responsible.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. TILSON. Would not a little friction sometimes be very healthful if applied just in that way?

Mr. MADDEN. It might be; but, after all, the bureau itself is only the instrumentality to furnish information to the President, and with the information in his possession the President will be able to sit at the Cabinet table and tell his Cabinet chiefs just what they ought to do, and if there is any friction anywhere he will be able to dispel it by deciding the question instantly. As it is to-day, under the law of 1909, called the Smith law, the Secretary of the Treasury assembles the estimates of the various departments, totals them, and if he finds, after submitting them to the House of Representatives, that the estimates of the expenditures are in excess of the estimates of the revenues, it then becomes his duty to send those estimates to the President with full information as to the facts, and it becomes in turn the duty of the President to make recommendations to the Congress as to how these estimates may be reduced, or if, in the judgment of the President, they are not possible of reduction, then, as an alternative, how the revenue may be raised to meet the increased expenditures. But the President has never functioned under that law. I believe, however, that the time has come when, if the President has the facilities to do the work, he will be very glad, indeed, to assume the responsibility, and it will not take much of his time, for he will have an expert corps of men who will be engaged every day in the year to ascertain the facts in connection with the conduct of every bureau in every department of the Government, and these facts will be supplied to the President in such form that it will not take any of his time, except to pass upon fundamentals.

The advantage in imposing upon the President the burden of creating a budget for submission to the Congress is this: The President will be compelled by the facts in the case, as he submits them, to defend his administration against the charge of extravagance, because if he recommends extravagant appropriations, as is frequently done now, it will be the function of the Congress then to criticize the President because of extravagance. The President submits every need of the Government at a given time, so far as he is able to find out what those needs may be, and the great debates of the country, in my judgment, will be had upon the question of the extravagance of Congress or the question of the extravagance of the administration. There will be nothing in the law to prohibit the Congress from increasing or decreasing the recommendations made by the President. If the President's recommendations are reasonable and economical, and the Congress increases them and makes them extravagant, then the Congress will be put upon its defense before the country and will be compelled to defend the extravagance which it inaugurates by increasing the recommendations made by the President.

If, on the other hand, the President pays no attention whatever to the economical side of the financial needs of the country, and the Congress in its wisdom decides to reduce materially the recommendations made by the President, it will be for the President to defend himself against extravagance which his recommendations indicate. With over 3,000,000 income taxpayers now, and more to come, the Nation is going to be more watchful than ever before of the expenditures made by the Government. I am glad that that is to be the case, because certainly the Government has been running wild, the ship has been rudderless, the captain has been off watch, and there has been no head who might be held responsible.

When this bill becomes a law, the great forum of America will find itself advised of every need of the Government by simply looking at the budget. There will then be for the first time an incentive on the one hand for the executive branch of the Government to defend its right of claim to efficiency and economy and to charge extravagance to the Congress, and, on the other hand, an opportunity for the Congress to defend its claim to economy and efficiency and the charge of extravagance against the executive branch of the Government. This will give the picture as no other method could do. We will have a picture of America's needs, and when the departments, from the President down, realize that they must defend their right to the confidence of the people by the practice of proper economy, you can rest assured that they will understand why they are extravagant before they become so. If they know in advance that they are going to be obliged to defend their right to the people's confidence, they will study the needs of the Government for the first time, and they will continue to study those needs for all time, and they will be in a position, if criticism is leveled at them, of being able to answer the criticism and defend themselves.

On the other hand, to-day we have an indiscriminate criticism of Congress for extravagant methods, and that is probably easily accounted for. It is easier to criticize men in the mass than it is to criticize the individual, and it is perhaps easier for men in the mass to be extravagant because of their ability to shift the load of responsibility onto the shoulders of some one else than it will be for the individual, when the limelight of publicity is leveled at his actions, to escape the responsibility of criticism by any subterfuge.

We propose in this bill not only to do what I have indicated, but also to create a comptroller and auditor general, who is to be appointed by the President, by and with the advice and consent of the Senate, whose term of office shall be during good behavior, who shall not be dismissible by the President under any circumstances, and who shall be retired from the office to which he is appointed only for certain well-defined reasons provided in the bill, and then only as the result of the enactment of legislation by the Congress. It is proposed to create this auditor and comptroller general so that he may be able to pass on all of the legal phases of every expenditure and at the same time audit the accounts and to make him so independent of the executive branch of the Government that no influence of any kind can be exercised over him in the discharge of his duties. If I have my way, when this legislation is completed, I shall propose the creation of a great committee of the House, to be known as the committee on expenditures, consisting of the best men in the House—because it is to be a great committee if it is created—to whom this auditor and comptroller general may report from day to day, and through that medium supply the House of Representatives and the Senate with such information as to what is being done with the money appropriated as to keep the Congress advised in connection with every step taken.

In this way we will have a check against the executive branch of the Government not only as to the methods of appropriating but as to the method of expenditure, and my judgment is that the foundation of the future financial system of economy could not be laid so well in any other way as by the adoption of the bill which is now before you for consideration. [Applause.]

Mr. CRISP. Will my friend yield?

Mr. MADDEN. Surely.

Mr. CRISP. I have listened to the gentleman with much interest. I think it is a splendid bill, and I am in favor of it, and I know my friend is one of the best legislators in the House. I would like to have him give his views as to whether it is advisable or not to follow this step by concentrating all appropriations in one committee of the House?

Mr. MADDEN. Personally I am in favor of that. Of course, in the establishment of a single committee of the House you have one responsible body through which you can deal with the recommendations of the President. You have the responsibility placed where no duplication can be had in connection with appropriations. It is true that no one committee of the House in itself could adjudicate all recommendations made for the expenditures of the Government. Whether you make one committee or more, this committee would have to be divided into subcommittees, as the Committee of Appropriations to-day is, and I apprehend that when the House passes this bill, and the Senate concurs, we will find ourselves in a position where we will be glad to formulate the other section of reform indicated by the question of the gentleman from Georgia. For, after all, it would not be wise, nor would it be fair, to say that the only end of the Government that needs to be reformed is the executive. We can not afford to go before the people and say that we have already acted by requiring the President to defend his claim to economy unless we put ourselves in the attitude of meeting the issue and being in a position to do likewise.

Mr. CRISP. I want to say I thoroughly agree with the gentleman and I am very glad to have his views on it.

Mr. MADDEN. You can not make this reform too sweeping for me, and I want to say to the gentlemen here and elsewhere that it makes no difference to me what committee I am on. Some people think that they must be on a particular committee to have any influence in the House. Now, I would sooner be on the Committee of the Whole House on the state of the Union than any committee in the House, and my certificate of election is the only thing I need for that. I am under no obligation to any committee on committees for that place, and there all the legislation that is enacted by the Congress is considered under the five-minute rule and there you get real, legitimate consideration. So, after all, these men who may feel aggrieved at the possibility in advance of losing some prestige somewhere because they have not got a particular committee, it seems to me really are getting agitated too far in advance. Every man here knows that if you want to keep your head above the waves of this House you have got to keep swimming all the time. [Applause.] You can not rest on the merits of the achievement that you accomplished yesterday. It makes no difference how great a thing you accomplished yesterday you are only one of the common herd to-morrow, and you have got to live on what you can produce by industry, not genius. There is no genius here more than there is anywhere else. The man who works, has industry, has system, has integrity, has courage to meet the issue, has the facts to present to the House, does not have to be an orator any more than I am. All he needs is to have the facts, have industry, courage, and integrity of purpose, and he will make a good Member of Congress, and that is what we hope to make out of every man here if there are any here who are not good Members of Congress, and I doubt if there are; I have no idea there are. So I say we can not reform the executive end of the Government without reforming ourselves, and for one I am proud to have been permitted to serve on this committee on the budget with the distinguished gentleman from Iowa [Mr. GOOD], who is chairman of the committee, and who has worked in season and out of season to produce the good that is to flow from the legislation that is to follow the work of this great committee over which he has presided with such great distinction. [Applause.]

Mr. BLANTON. Will the gentleman yield for a question?

Mr. MADDEN. Certainly.

Mr. BLANTON. How are we going to reform ourselves in the face of the crack of the bull whip that comes once in a while like we had yesterday and this morning?

Mr. MADDEN. I have never heard of such a thing as the crack of the whip since I have been a Member of Congress, and I have been here for a good many years. I have been as free and independent in my action as air. No man living during the years of my service in Congress has ever told me what to do. Neither one of my constituents nor any man has presumed to tell me what to do here. Every man here is equal. Each man counts for what he is worth. Some men count for more, some for less; it depends on their industry——

Mr. BLANTON. Will the gentleman yield for a further question?

Mr. MADDEN. Surely.

Mr. BLANTON. Does the gentleman think that in the face of such speeches as were made here by the two ex-Speakers of the House, one on each side of the aisle, by the distinguished chairman of the Committee on Appropriations, and by other strong Members of this Congress, that anyone could have withstood that eloquence and logic other than by the crack of the bull whip?

Mr. MADDEN. Every man here is here with the right to express his thoughts. If he has views, he has a right to express them. If his views are such as to bring around him a following that other men do not happen to have, that is his good fortune, and the country is fortunate, too, if he is the right-thinking kind of a man. The two great ex-Speakers of the House are men who have stood the test of American confidence. [Applause.]

They are entitled to the respect and the confidence of every right-thinking American. They have views, and they have the courage to express them. They have never faltered in the patriotic discharge of their duty. And I am proud to be able to stand upon this floor and say that it has been my privilege and my pleasure and that I consider it a great honor to have had the opportunity to sit at the feet of these great men mentioned by the gentleman from Texas.

One more word and I shall close. I wish to say that no greater chance to perform a patriotic service has ever fallen to the lot of any man living under the flag than the opportunity afforded to support the great measure now before the Congress. I predict that with this measure enacted into law economy in Government expenditures will result, system will be inaugurated where chaos now reigns, and opportunity for information to the American people, such as has never been afforded before, will be at the disposition of any man who cares to know about the finances of his country. And there can be no doubt that a system of economy is bound to result when we throw the limelight of publicity upon the acts not only of the Congress and of its individual Members, but on the President and every man who owes allegiance to him in the executive branches of the Government. I thank you. [Applause.]

I yield back the balance of my time.

The CHAIRMAN. The gentleman yields back four minutes.

Mr. BYRNS of Tennessee. Mr. Chairman, I would like to ask if there is any Member on either side of the Chamber who wishes to speak in opposition to the bill? If so, I will be glad to yield him time at this moment. If not, I yield 40 minutes to the gentleman from Oklahoma [Mr. HOWARD].

Mr. BLANTON. Will the gentleman from Oklahoma permit me to propound a parliamentary inquiry to the Chair?

Mr. HOWARD. Yes, sir.

Mr. BLANTON. Mr. Chairman, I desire to present a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. It develops now within a very short time after general debate has begun that there is no opposition on the floor of this House to the budget bill now under consideration. Then, if that is the case, why take up 12 hours of the Congress in debate of the measure when you can not find any opposition to it on the floor?

The CHAIRMAN. The gentleman has not stated a parliamentary inquiry. The gentleman from Oklahoma [Mr. HOWARD] will proceed.

Mr. BLANTON. I thought the Chair was in control of the time of the committee.

Mr. HOWARD. Mr. Chairman and gentlemen of the committee, referring to the question propounded by the gentleman from Texas, I would be so delighted to see this bill pass that, as far as the little time I am going to consume is concerned, if we could take an immediate vote and make this bill a part of the laws of this country, I would gladly yield my privilege. In fact, Mr. Chairman, I am especially delighted at the manner in which this bill and the proposition to establish a budget system for the United States Government is being received by the Members of Congress. I am especially delighted that I have had an opportunity to participate in the hearings and in drawing this measure, because it calls to my mind that for many years, along with my good colleague, the gentleman from Kansas [Mr. WHITE], when neither he nor I was a Member of this body, but when we were members of another organization studying the great problems of taxation and the expenditure of public moneys as members of the National Tax Association, I have been urging a budget system not only for the National Government but for all State, city, and county governments.

And I am especially glad that the time seems now to have come when the United States Government, through the adoption of this bill, will set the precedent by which all Governments will look closely and further and with more business interest toward the expenditure of public moneys.

I consider that this is probably the most important measure that has or will come before this special session of Congress. Those who have given careful thought to this matter realize that a budget system is not only necessary now, but has been for years past. There is another feature in connection with this legislation that is pleasing to me, and that is the fact that

it partakes not at all of a political nature. I am especially delighted that this Congress has risen in this matter far above political lines and that the leaders and the big men of the country in and out of Congress, both Democrats and Republicans, are joining in the support of this much-needed reform.

It was very gratifying to me when ex-President Taft, Gov. Lowden of Illinois, Secretary of the Treasury Carter Glass, the Hon. Swagar Sherley, and the Hon. John J. Fitzgerald, and other prominent men who have given a study to Government finances came before the committee and indorsed the committee's efforts to bring forth a fair and efficient budget measure. I believe it is an omen that the Government is going to improve its administration of affairs and that we have finally reached a conclusion that Government must be administered in a more economical and simplified manner. And I trust that this will establish a precedent, and that we will get together on other great measures, as we are together on this, and do something real in behalf of the people of this country.

Now, when this measure becomes a law we may not all agree as to the method of carrying out its provisions on the floor and in the committees of the House, but let me urge upon the Congress that we need not let this enter into our feelings as to the passage of this bill. Let us establish the budget system, now that we have an opportunity, and after its establishment if there are flaws they can be remedied. Congress has always risen, and always will rise, to the position of doing the right thing and in handling questions properly as they come before it, and I urge that we do not let our differences of opinion as to the enforcement of this budget system in our own House interfere with our votes as to the passage and the initiation of a budget system.

I have for years been very much interested in the establishment of a budget system, and my interest in this system has grown out of my experience as a public official and the consequent knowledge of public expenditure and the raising of revenues gained from the public service.

Mr. HUDSPETH. Will my friend from Oklahoma yield for a question, Mr. Chairman?

Mr. HOWARD. Yes, sir.

Mr. HUDSPETH. As I understand, I will say to the gentleman, from the casual reading of this bill, the enforcement of this budget system is provided for in the bill?

Mr. HOWARD. No.

Mr. HUDSPETH. I would like to have the gentleman's idea upon the enforcement.

Mr. HOWARD. I was referring to the question, as did the gentleman from Illinois [Mr. MADDEN], of the number of committees we had to handle in the House.

Mr. HUDSPETH. I did not understand just what the gentleman meant by the enforcement. As I understood, the President submits the estimates to Congress.

Mr. HOWARD. My language was perhaps a little bit misleading, but what I was referring to was how the matter should be handled in the House.

As I was saying, Mr. Chairman, my support of the budget system has come by reason of my experience in the matter of expending and raising public revenues. For four years I was the purchasing agent of my State and expended practically all of the money that it expended for State government. Then for four years I was the State auditor for my State, and audited all of the bills against public revenues. And I want to say right here, Mr. Chairman and gentlemen of the committee, that if this bill went no further than to that paragraph or section creating a comptroller general and concentrating the payment of all bills and the settlement of all claims against the United States in one department with a determined authority, it would be sufficient and great and beneficial legislation. I consider, Mr. Chairman, that this one section of the bill will be very beneficial, and will prove to be a very economic one and a benefit to the taxpayers of the United States.

Mr. Chairman, the rapidity with which public expenditures have increased is amazing and shocking. Too much of a tendency to live on, and not under, the Government has been developed.

Of course, Mr. Chairman, I am a new Member of the Congress, and I do not want to be understood as criticizing, but rather desire to take the position of suggesting. In my opinion—and I believe it can be substantiated by an investigation—both our National, State, and municipal governments employ too many people. There is too great a degree of multiplication of service, and beyond question there is too great a tendency to purchase too much material and supplies for use in public service. I want it understood, however, Mr. Chairman, that I am in no way criticizing the present or past administrations when I make the suggestion that too many people are employed in government and that too much money is wasted in the purchase of materials and supplies, because if a condition of useless and extravagant expenditure of public money does exist at this time it is due to the fact that the present system of collecting and spending public moneys has been handed down to us as a legacy from other years. In fact, I can remember, Mr. Chairman, when I was a boy in Kentucky, of hearing my father and his neighbors complain of heavy taxes and how the burdens of government seemed to increase instead of decrease.

Mr. Chairman, the proposition of increased burden of government is one with which we will continually have to contend. Why, Mr. Chairman, when I was a boy in a little town in the hills of Kentucky, if some fellow had come into that town and suggested that he was going to teach the boys of that little town how to become carpenters, the old town carpenter down there, who built what few buildings we had, or repaired them, would have taken a hand ax and would have run that fellow out of that town, and he would have said, "I have been training the boys of this community to become carpenters for many years, and I have made of them good carpenters, and we do not need you down here." Likewise, if some one had gone into that community when I was a boy and said, "I am going to teach the girls how to cook," she would have insulted every grandmother down there, because the grandmothers would have maintained that they had been making good cooks out of the girls there ever since the history of Kentucky had begun and they could continue to do so.

But, Mr. Chairman and gentlemen of the committee, the people demanded domestic-science departments, and they demanded manual-training departments, in their schools, and it was well that they should have them. But now that they have been established, it is also well to bear in mind that in having them they must pay for them. But it is also well, Mr. Chairman, that we as legislators or public officials of the State or the Federal Government should bear in mind that as these demands upon us for increased functions of government are made, in meeting them we should also in every way possible provide for maintaining what the people desire on the most economical basis possible. As a matter of fact, I doubt if any system that we adopt in the matter of spending public moneys will reduce the amount of public money to be expended as compared with what we are spending under normal conditions. As the Government increases, the expenditures are going to increase, and it is my opinion that a good budget system, properly carried out, as we anticipate in this bill, will and should stop the waste in public expenditures.

The old method of collecting and spending public moneys has had its day. The people are not now, and have not been for some time past, satisfied with that system. They are not satisfied with a system that collects from them extraordinary amounts of money in the name of taxation, and then spends it in a haphazard manner, without thought and careful attention, such as a private citizen would give to the expenditure of his private funds.

Mr. Chairman, the expenditures for government must be looked squarely in the face as a problem to be solved before they assume proportions more disconcerting. The evil against which the national budget system would operate is the multiplication of Government functionaries, which is one of the most ancient evils with which we have to deal; it is this multiplication of Government functionaries which I most fear in the matter of economical government. Under the old system a multiplication of governmental departments and employees has grown until the people of this country are staggering under the burden. I was once asked the question as to what was the attitude of the taxpayers toward public expenditures. My reply to same was, and is, if the taxpayers of this country would really give serious thought to public expenditure of money, what they would say about it would not look well in print and we could not repeat it to our wives, mothers, and daughters. Why did I and why do I say that? Because an analysis of public expenditures, in my opinion, shows that in this Government, and in each State and in each municipality in this country, too many people are employed in public service. In the past, Congress, State legislatures, and many kinds of tax levying and tax enforcing bodies have given great thought and study to the manner of levying and enforcing tax laws, but I have never known and can find but very little history which records that any of us have given thought and study in a scientific manner to the expenditure of public moneys. And I say to the Congress that we have reached the time where it is more necessary that we give thought and study to the expenditure of money than we do to the levying and collecting of taxes. It makes no difference financially to the victim what becomes of his money, whether it is taken from him by a highwayman at the point of a polished revolver or in the name of taxation. I do not say that the taxpayers of this country have been robbed,

but I do say that a system of multiplication in government has grown until much money is being spent for governmental purposes that could be saved to the taxpayers if a proper and scientific renovating of our system was made.

There must be in this country not only a reform in the expenditure of moneys but there must be a reform in taxation, because business is staggering and suffering under the burdens under which we are now laboring, and unless relief to business from taxation is given in some manner in the very near future I fear the result. There must be a scientific renovating of our system, and I believe that a proper and scientific renovation is at hand in the adoption of the bill that we now have before us.

Mr. ALMON. Will the gentleman yield for a question?

Mr. HOWARD. Yes.

Mr. ALMON. Will the gentleman kindly call to our attention some case illustrating multiplication of work in any departments of the Government, so as to show the importance of preventing that?

Mr. HOWARD. Yes. A few days ago I called the attention of this House to a case when, as State auditor of the State of Oklahoma, I had made an analysis of the employees of the Government and of that State, and I found that in the State of Oklahoma there are about 1,100 people employed in health work. For instance, we have down there a city health department, a county health department, a State health department, and regulations and activities of the Federal Public Health Service, with the result that, with different rules and regulations, before the health laws can be enforced the only person who is needed is the undertaker. [Laughter.]

Another case: As I stated a few days ago on the floor of the House, in that same analysis I discovered that a part of my State is below the quarantine line, and they had started to eradicate the cattle tick. As State auditor of the State of Oklahoma I found that we had traveling over that State something like 50 men on a salary and expense account eradicating the cattle tick in Oklahoma and preparing it to be put above the quarantine line. I found that at the same time the National Government had about 40 or 50 men traveling over the State of Oklahoma engaged in the same work of attempting to eradicate the cattle tick—40 or 50 men in the employment of the State enforcing the law and 40 or 50 men in the employment of the Federal Government enforcing the same law. These fellows had different ideas as to what they should do. They had different ideas as to the best solution in which to dip the cattle. They had different ideas as to what was the proper material out of which to build the vats.

They quarreled about this and that. The result was that in some of the counties the cattlemen got sore, and there were some vats blown up. In many instances, as a result of this double work and these conflicting opinions, when they finally got together and ready to enforce the quarantine law the cow had died of old age and the ravages of the tick. [Laughter.]

Mr. ALMON. Will the gentleman kindly explain how this legislation will relieve that situation?

Mr. HOWARD. I do not know that this legislation will relieve that situation, but in speaking on this bill I am only taking occasion to call attention to a condition that exists. Certainly if we go into a study of economic government, and establish functions for studying it, some attention may be given to conditions of this kind, and if we are to get free of the burdens of taxation somebody will devise some remedy and cut out the multiplicity of work that is now being done by the States and the Federal Government.

Illustrations of the multiplicity of public work can be cited without limit, and remedies must be sought and found. The necessity for economy can not be denied. To my mind the adoption of a budget system as provided in this bill will be a long step toward the solution of this question. In these days when there is a constant and loud complaint because of growing tax burdens and increase of expenditure, very much thought is being given to the cause thereof. I believe that one of the most satisfactory ways in which to meet the situation is the adoption of a budget system as set forth in this bill, which will not only relieve the feeling of discontent among the taxpayers but should put the Government on an efficient and economical basis.

The budget should show, and I am sure will under this bill, the actual financial condition and estimates as to the future based on these conditions. This might not mean the lessening of expenditures, for necessarily as the Government and population grow legitimate expenditures must increase. But waste must be stopped, and under a budget system as provided for in this bill I believe it will be stopped. We must seek to spend our money for proper requirements. As our population grows and various forms of government take on new functions, so there will be an increase in expenditures. The duty of the budget as provided for in this measure will be to see that the expenditures are made for proper purposes. The budget system means that there must be estimates of needs and estimates of resources that may be available to meet such needs.

The budget system, in my opinion, is a cure for invisible government. It means practical executive supervision; it means the careful expenditure of the people's money; it means strict accountability; it means publicity; and it means administration preparedness.

And I urge that this bill will properly protect the people in all sections of the country, and assure to the overburdened taxpayers relief from the burden of taxes under which they are now suffering—burdens of taxation for which no party or administration is responsible but which have come down to us from a system that may have been good in the early days of the Republic, but owing to the growth of our country and the economic conditions has become obsolete and faulty. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. GOOD. Mr. Chairman, I yield 20 minutes to the gentleman from Idaho [Mr. FRENCH].

Mr. FRENCH. Mr. Chairman, when a boy of 12 years of age gets his first job at 50 cents a day he does not need to devise a very elaborate system for keeping track of his income and his expenditures, but whatever system would be devised, if there were system to it, would be called a budget. Now, when this same boy becomes a man and establishes himself in some line of business that involves, as does the mercantile business, a multitude of transactions that have to do with expenditures aggregating hundreds of thousands or millions of dollars, the system or scheme that must be worked out by which he will keep track of his income and his expenditures may also very properly be called a budget, but it will be a budget of very comprehensive character. For the boy a budget may be desirable; for the man a budget is necessary.

Now, the same proposition holds good for the Government. When we became a Government our expenditures were very small in comparison with our expenditures to-day. Not only were they small in total amounts, but they were small proportionately.

Our population in 1790 was less than four million, and our total average expenditures for the first five years after our organization as a Government were less than $6,000,000 per year. To be exact, our population in 1790 was 3,929,625, and our average expenditure for the first five years' history of our country aggregated $5,854,172. This was equal to $1.34 per capita. At that time the problem of government was one that had to do with a very limited number of agencies, which chiefly had to do with policing the Nation through an Army and a Navy, administering justice in so far as this was involved in making and executing national laws, maintaining our place internationally, and providing revenues for these purposes. Matters that to-day are regarded as of prime importance as Government functions were, in the early days of our history, carried forward by private individuals or else were not attended to at all. Gradually, however, with our development as a Nation, we came to regard as responsibilities belonging to the Government as a whole a multitude of matters that in the early days had no part under the Government, or, if at all considered, were handled in most simple fashion. But our Government developed and our national wants increased, until in the middle of the last century our per capita expenditures, instead of being $1.34, had mounted up to about $2.25 in 1850 and $5.70 in the period of 1880 and $8.85 in 1900 and $11.14 in 1916 for every man, woman, and child in the United States. Our population that year was estimated at 100,000,000 people and our expenditures were $1,114,937,012.

It will be seen that while our population had increased from less than four million to one hundred million—or, in other words, had multiplied itself by 25—our expenditures had increased from less than $6,000,000 to more than $1,000,000,000—or, in other words, had multiplied itself two hundred times.

Now, if our expenditure in 1916, which was the last year before the Great War, had been upon the basis per capita of our expenditure during the first five years of our country's history, we would have expended in 1916 to maintain our Government not $1,114,000,000 but $134,000,000. This suggests why we have come to a time when we should have a definite budget system.

Mr. DUNBAR. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Yes.

Mr. DUNBAR. The gentleman has stated that two years ago our expenditures had so increased that they amounted to $11 for every man, woman, and child in the United States. It is estimated now that our expenditures during the coming years, with-

out any reduction in the amount of our annual debts, will approximate $5,000,000,000 per year, and on a basis of $5,000,000,000 our expenses will amount to $50 a year for every man, woman, and child, so that while two or three years ago they amounted to $11, we now have to look forward to an expenditure of $50.

Mr. FRENCH. Of course, if the gentleman's figures prove to be correct, as the years go by, it is all the more reason why we should have a budget system. I have purposely omitted discussing the large expenses of the last two years, because I wanted to take the Government under normal conditions. For that reason I mentioned 1916.

Mr. DUNBAR. Will the gentleman yield again?

Mr. FRENCH. Just briefly.

Mr. DUNBAR. I want to ask the gentleman if the conditions will not be normal which will require an expenditure of $5,000,000,000?

Mr. FRENCH. I do not doubt that under normal conditions expenses will be greatly increased over what they were two or three years ago, but just how much I do not know.

Now, in what way are our expenses increasing? Is there a way by which they can be cut down?

My own notion is, with regard to the expenditure of public money, that we should determine the necessity for the expenditure; that we should determine whether or not that which is accomplished by the expenditure of money is wise and beneficial for the people; we should determine whether or not that which is done had best be done by the Government or by private initiative. Then, if it shall be determined that the problem is one for the Government to meet instead of the private individual, our responsibility is to see to it that under the Government it shall be carried forward with the utmost regard for the public interest from the standpoint of expense.

To show how the Government has expanded, let me call attention to one or two of the agencies of government.

POST OFFICE DEPARTMENT.

Take the Post Office Department. Why, the first year after our Government was formed we had 75 post offices throughout the then United States. To-day we have more than 50,000 post offices. During the first five years of our country's history we expended on an average $83,784 per year. In other words, 2 cents per capita to maintain the Post Office Department was what it cost our people annually during the first five years of our country's history; just one postage stamp of to-day for every man, woman, and child was all that was necessary for an entire year. Well, most of our people could not read and write; we did not have any newspapers and periodicals; we had few magazines, and, in fact, in this line we were leading rather the simple life.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Briefly.

Mr. STEVENSON. Would the gentleman inform us what the postage was at that time? Was it not 25 cents on the letter?

Mr. FRENCH. Probably so. I do not have the figures, but I am not talking of the rate on the individual letter. The gentleman's ancestors may have placed 25 cents on a particular letter to send it, but when they were doing that there were dozens of others who were not mailing letters at all. I am speaking of the average per individual. It was 2 cents per individual at that time, compared with upwards of $3 per individual to-day.

The reason why that has come about is the general education of our people and demands made by people who are educated.

Why, our people can all read and write—that is, most of them—including the children. We have a multitude of magazines and newspapers published throughout the United States, and families think that they are badly abused unless they can take their proportionate share of publications. We all write letters. Our people are closely knit together from one end of the country to the other by means of the Post Office Department.

In 1918 we had 54,345 separate post offices, and for the fiscal year ending June 30, 1918, our expenditures for the maintenance of that department were $324,833,728, in comparison with $32,140 in 1790, or, in other words, we expended $3.06 per capita for the maintenance of our Post Office Department.

Would you abolish the Post Office Department and thus save the money? Of course you would not. The Post Office Department means more than the handling of letters; it means our post office money order system; it means the delivery of publications; it means the free rural delivery system for the people of our country; it means the city carrier system in our cities and the delivery of mail two or three times a day; it means the maintenance of the parcels post. In other words, it means the maintenance of a multitude of agencies that the people of our country regard quite as essential to living at the beginning of the twentieth century as was the maintenance of the 75 post offices quite essential to the living of our forefathers in 1790.

AGRICULTURE DEPARTMENT.

There was no such thing as a Department of Agriculture until nearly a hundred years after our country was born, and it was nearly 50 years after our beginning as a Nation before the first appropriation was made along lines that are usually considered as the essential reasons for the maintenance of the department. True, we had built roads and canals in the early days, but we did so not from the standpoint of agriculture, but from the standpoint of military necessity, the standpoint of defense; to some extent, possibly, from the standpoint of commerce.

In 1839, however, the Congress appropriated $1,000 for the purchase of seeds to help out the farming sections of the country when it seemed advisable that from a national standpoint the Government should assist. But it was 20 years later than that before our appropriations along lines that we recognize as agricultural in character amounted to more than $40,000. In fact, in 1860 the appropriation was $40,000. In 1888 the Department of Agriculture was given the rank of a Cabinet department, and that year the Congress appropriated $971,823 for its maintenance. The appropriation for the year 1918 was $33,986,487.

Would we abolish the Agriculture Department? Would we give over the assistance that is being furnished the plant industry throughout the United States, that is being furnished to the cotton growers of the South, that is being furnished to the grain producers of the West, that is being furnished to the growers of fruit in the New England States or on the Pacific coast; would we abandon the work of eradication of pests that destroy our crops; would we abandon the fight against disease that exterminates cattle or horses or hogs? Rather, there probably is nowhere an expenditure of $33,000,000 that in results brings such tremendous profits as the expenditure of the $33,000,000 through the Agriculture Department of our country. Yet, gentlemen, that cost alone is more than it cost to maintain the Government of the United States during all of the first five years of the history of our country.

A BILLION-DOLLAR NATION.

I have mentioned the development of our country and have referred to two of the departments by way of illustration. We have numerous other departments and the expenditure in all of them aggregates upward of $1,000,000,000. In other words, instead of being a small Nation with limited income and with limited expenses, we have become an immense Nation, maintained at stupendous cost, and I take it that the people are in such harmonious demand for the maintenance of the different agencies of Government, and believe that these agencies can be better carried on through the Government taking the lead or initiative than through private means, that we shall never again fall below approximately the billion-dollar sum for the annual maintenance of our public affairs.

CRITICS—TRUE AND FALSE.

During the last several years especially there has been considerable discussion of the budget question, and criticisms have been made of the Government and of Congress on the subject to which I want to give very brief attention.

There are two kinds of critics—the true and the false. The true critic who discusses the budget system knows what he is talking about and his discussions are always helpful, no matter whether his point of view and conclusions are right or wrong. The false critic, however, is the one who criticizes at so much per line in the press or magazines and so much per speech on the platform, and who is rather careless touching facts and conditions of which he pretends to be advised. These latter critics, who are more profuse than the former, as a matter of fact, seem to know little about the structure of their Government and nothing that I can discover that is worth while touching the budget question. Congress, being made up of a great many Members, is quite a safe object for attack, and so these critics find it rather profitable to themselves to hurl broadside charges at Congress and hold up before their audiences or readers the extravagance of the country, placing the responsibility for the extravagance upon Congress. I want to call to your attention figures that will show the estimates made to Congress by the various departments for expenditures asked for year by year, together with the appropriations made by Congress in recognition of these requests. The table that I am including begins with 1897 and runs down to 1916—a period of 20 years. The last year is the year before the Great War, and the period is practically a normal time.

Comparative statement exhibiting, for the 20-year period covering the fiscal years 1897 to 1916, inclusive, the grand total of estimates submitted by the Executive and the grand total of appropriations granted by the Congress.

Fiscal year.	Estimates.	Appropriations.	Excess of estimates.	Excess of appropriations.
1897	$522,134,193.92	$515,845,194.57	$13,288,999.35	
1898	535,446,047.28	528,735,079.30	6,710,967.98	
1899	911,522,533.22	893,231,615.55	18,290,917.67	
1900	754,006,489.64	674,981,022.29	79,025,467.35	
1901	767,355,248.78	710,153,852.88	57,204,385.90	
1902	775,374,804.24	730,338,575.99	45,036,228.25	
1903	776,348,318.47	[1] 800,624,496.55		$24,276,178.08
1904	765,455,776.30	753,058,506.02	12,398,270.28	
1905	830,974,206.79	781,172,375.18	49,801,831.61	
1906	835,260,367.21	820,181,634.96	15,075,732.25	
1907	880,796,415.47	879,589,185.16	1,207,230.31	
1908	943,190,643.68	920,798,143.80	22,392,499.88	
1909	1,079,449,288.96	1,008,397,543.56	71,051,745.40	
1910	1,103,387,538.01	1,044,401,857.12	58,985,650.89	
1911	1,024,145,769.58	1,027,911,629.18	244,140.40	
1912	1,026,287,535.81	1,026,682,881.72		395,375.91
1913	1,040,648,026.55	1,019,412,710.91	21,235,315.64	
1914	1,153,206,963.14	1,098,678,788.40	51,528,174.74	
1915	1,152,681,777.02	1,116,118,138.55	36,563,638.47	
1916	1,135,187,984.31	1,114,937,012.02	20,250,972.29	
Total	18,020,860,868.38	17,465,240,253.71	580,292,168.66	24,671,553.99
Net excess of estimates			555,620,614.67	

[1] The appropriations for 1903 include the sum of $50,130,000 for the Panama Canal, an amount not submitted in the estimates for that fiscal year. If that amount be eliminated, the excess of estimates would be $25,853,821.92.

Now, what does the table show? It shows that the departments have asked for appropriations amounting to $18,020,860,868.38. It also shows that Congress made appropriations of $17,465,240,253.71. It shows that in all but two years the Congress refused to appropriate as much as the departments asked for and that the sum total saved by the Congress over what the departments asked for aggregated $555,620,614.67. Now, during this period of 20 years, in 1903 the Congress appropriated a little less than $25,000,000 in excess of the department estimates. This excess is explained when I say that that year Congress appropriated $50,130,000 for the construction of the Panama Canal, which was not included in the estimates. Also, in 1912 Congress appropriated a little less than $400,000 more than the departments asked for, but this will not seem surprising when I say that of the amount appropriated by Congress that year $8,000,000 of that was for the Post Office Department, in addition to that which the department had asked for. This amount was made necessary largely by reason of the extension of the rural delivery system.

If I were to take the last two years instead of the 20 years before the European war, I would show you estimates of the departments in excess of appropriations of between one and two billions of dollars; and if I were to take the years preceding the 20-year period referred to, I would still show you appropriations much less than the estimates made by the departments.

Now, what does this mean? Why, it means that the departments and not the Congress are the ones that are extravagant, and I may say that my experience in Congress has been that the departments are constantly making demands, while it requires every energy of the Members of Congress to keep the appropriations down. Under our present system department officers haunt our offices, press themselves upon Members of Congress in the Capitol, and even, as I have seen them, day after day sit in the galleries to see what Members are opposing or advocating the pet plans that the departments are pressing upon Congress.

Again, there are some critics who urge a budget system, and about their only excuse lies in the public buildings and grounds appropriations. Why, gentlemen, from the foundation of our Government down to 1917 the total appropriations for public buildings, including sites, repairs, restorations of buildings, and so forth, aggregate $351,938,000. Now, from the beginning of our Government down to June 30, 1917, the total expense of government had been $40,000,000,000. In other words, all the appropriations for public buildings make an amount less than 1 per cent of the total running expenses of the Government, and yet these critics would magnify these amounts and try to make the country believe that the Government was spendthrift and extravagant on the basis of this very small percentage of expenditure on the part of the Government. Even if the entire amount had been unworthily spent, the amount would be less than 1 per cent; but the fact of the matter is that most of the money appropriated for even public buildings and grounds has been wisely spent, and, of course, in this amount must be included the necessary public buildings not only in Washington but in all the great cities of the country.

And then when it comes to rivers and harbors appropriations, the total spent by the Government up to 1915 was $980,000,000, or less than 2½ per cent of the moneys appropriated for the maintenance of the Government.

Mr. Chairman, I resent these false statements that are indulged in by false critics. I resent the activities of such false critics from the standpoint of the public good. The anarchist is limited in his activity to the distance that his bomb will carry destruction, but the false critic, the man who deliberately undermines the confidence of the people in their public service, is worse than the anarchist, because the poison that he distributes goes far and wide, and while it does not directly destroy buildings, as does the bomb of the anarchist, it furnishes the media for the propagation of anarchy and thereby the overthrow of orderly government. One of the greatest assets that a country can have is a government in which the people can have confidence.

I have served in Congress with members of various political parties. I have opposed them upon the rostrum and in the political campaigns and on the floor of this Chamber, but I could not say other than that the overwhelming number of Members of Congress, and of public officers generally, with whom I have come in contact have had the interest and well-being of their country at heart and have been citizens who would not sell the responsibility that has been imposed upon them for the weight of the world in gold. The Congress makes mistakes, administration officers make mistakes, but it should be written in the heart and conscience of every citizen of our Republic that, for the most part, their public officials ring true and are laboring as they see it for the cause that will mean the greatest good to the people they represent.

THE NEED OF A BUDGET.

For a good many years thoughtful people have come to realize that we ought to have a budget system. Now, there is nothing magic about the word "budget"; all that it means is an orderly estimate, by a proper agency of our Government, of the needs of the Government in all its departments for the approaching year and a proper and careful estimate of the prospective revenues for the same year. Now, that is all there is to the matter. The problem that we have before us is devising the proper agency and indicating just what that agency shall have to do.

It goes without saying that our present system is wrong. We do have something of a budget; we do have something of an estimate of the expenditures and of the prospective revenues. The trouble is it is not carefully worked out and it is not presented to our country by the responsible agencies having to do with its administration in a comprehensive, compact, and lucid form.

Under the law it is made the duty—

of the heads of the several executive departments, and of such other officers authorized or required to make estimates, to furnish to the Secretary of the Treasury, on or before the 15th day of October of each year, their annual estimates for the public service, to be included in the Book of Estimates prepared by law under his direction, and in case of failure to furnish estimates as herein required it shall be the duty of the Secretary of the Treasury to cause to be prepared in the Treasury Department, on or before the 1st day of November of each year, estimates for such appropriations as, in his judgment, shall be requisite in every such case, which estimates shall be included in the Book of Estimates prepared by law under his direction for the consideration of Congress. (Mar. 3, 1901, Stat. L., vol. 31, p. 1009, sec. 5.)

The statutes further provide that—

All annual estimates for the public service shall be submitted to Congress through the Secretary of the Treasury, and shall be included in the Book of Estimates prepared under his direction. (R. S., sec. 3669.)

The statutes further provide—

All estimates of appropriations and estimates of deficiencies in appropriations intended for the consideration and seeking the action of any of the committees of Congress shall be transmitted to Congress through the Secretary of the Treasury, and in no other manner; and the said Secretary shall first cause the same to be properly classified, compiled, indexed, and printed, under the supervision of the chief of the division of bookkeeping and warrants of his department. (July 7, 1884, Stat. L., vol. 23, p. 254, sec. 2.)

The act of March 4, 1909, provides that—

Immediately upon the receipt of the regular annual estimates of appropriations needed for the various branches of the Government it shall be the duty of the Secretary of the Treasury to estimate as nearly as may be the revenues of the Government for the ensuing fiscal year, and if the estimates for appropriations, including the estimated amount necessary to meet all continuing and permanent appropriations, shall exceed the estimated revenues the Secretary of the Treasury shall transmit the estimates to Congress as heretofore required by law and at once transmit a detailed statement of all said estimates to the President, to the end that he may, in giving Congress information of the state of the Union and in recommending to their consideration such measures as he may judge necessary, advise the Congress how in his judgment the estimated appropriations could with least injury to the public service be reduced so as to bring the appropriations within the estimated revenues, or, if such reduction be not in his judgment practicable without undue injury to the public service, that he may recommend to Congress such loans or new taxes as may be necessary to cover the deficiencies. (Mar. 4, 1909, Stat. L., vol. 35, p. 1027, sec. 7.)

In a word, these sections provide that the different agencies of the Government—the various departments, commissions, bureaus, and what not—shall submit to the Secretary of the Treasury at stated periods estimates of the moneys required for the handling of their respective lines of work for the approaching year. It was the idea when these laws were passed that it would enable the President to work out a budget through the Secretary of the Treasury and present that budget to the Congress. But for some reason or other administrations have not chosen to so regard the law, and all that it amounts to is that the Secretary of the Treasury's office becomes one for the assembling of the estimates of the different departments, and without further analysis by the administration, without checking the estimates over to see how they overlap or how they might properly be reduced or how they fit in with prospective revenues, they are transmitted to the Congress. In other words, the Secretary of the Treasury, under our present system, performs just as useful a function and just as responsible a piece of work in every particular as could be performed by the janitor of the Treasury Department in transmitting the several documents to the legislative body. The Treasury Department, however, furnishes for the information of the Congress an estimate of the prospective revenues for the approaching year. Now, when this information is furnished to the Congress it is distributed to the various committees that have to do with the shaping of appropriation bills. These committees do not articulate. They have nothing in common; they work out the appropriations for the several departments independently, and the only common ground, the only meeting ground in this legislative body, where these measures can be considered and compared is in the Committee of the Whole House on the state of the Union, and later in the House of Representatives itself, but as the bills are not reported at one time no satisfactory comparison can be made by the Committee of the Whole. Appropriation bills are reported by eight different committees. Revenue bills, for the most part, are reported by only one committee, though, properly speaking, quite a number of committees have to do with matters that concern revenues, as, for instance, the Committee on Post Offices and Post Roads, the Committee on the Public Lands, the Committee on Immigration, and various other committees of the House.

WHAT IS WRONG WITH OUR SYSTEM?

Now, what is wrong with our system? From the foregoing and from our experience I think we are all agreed that our system is wrong. I have no doubt that to-day the officers of the Government are held to a far stricter accountability than ever before and that a much smaller proportion of public funds is expended unworthily or is stolen from the people than was true 100 years ago.

The budget system does not seek primarily to correct the misapplication of public funds or to prevent the looting of the Treasury through means that are themselves unlawful, and there is surprisingly little of either in our Government. What it does comprehend is the establishment of a system that will prevent the waste, you might say, of public moneys.

Our present system is wrong because there is an immense amount of duplication of work. There is a Public Health Service in the Treasury Department, there is another under the Secretary of War, and still another one under the Navy Department, and there may be others under the various other departments. The Treasury Department has something to do through its bureaus with the field of chemistry, so has the Interior Department, and so has the Department of Agriculture, the Department of Commerce, and possibly other departments of the Government. And so I could continue. The overlapping of work is one of the main reasons for the establishment of a budget system. The departments are jealous of each other. There is rarely a department, I have discovered, that once it has laid its hands on a particular line of work willingly surrenders it or willingly or at all admits that it can not handle the work more orderly and more properly than any other department. I could multiply incidents and illustrations of what I mean by the hour, and so could you all, to illustrate this point and to illustrate the jealousy that exists among the departments in the handling of their work.

Now, what system shall we adopt? There are some writers and speakers on this question who urge the British system or the French system, and with full confidence that the budget problem is one that can be worked out by the taking over of some system tried out in some other country and applying it in our own without regard to structure of government, ideals of the people, and numerous other considerations.

BUDGET SYSTEM OF GREAT BRITAIN.

In Great Britain we have a monarchy; we have an executive department and a legislative department. The executive power in Great Britain is nominally in the Crown, but we know that as a matter of fact the power is vested in what is called the ministry, which is made up for the most part from the legislative body itself; that is, the Parliament.

This ministry is named from the majority party or group of the Parliament.

The budget is prepared by the cabinet, and in its preparation three officers are relied upon for the general estimates touching the expenditures in all departments. The chancellor of the exchequer prepares the estimates for civil departments, while the estimates for the army and the navy are prepared, respectively, by the secretary of state for war and by the first lord of the admiralty. Probably I should say that new items and increases of items in the war and navy departments must be referred to the chancellor of the exchequer for his approval. If the items are for matters that are of technical or professional character the approval of the chancellor of the exchequer is formal.

Each of these departments has a corps of trained experts, whose work is to give shape to the details of the budget, for notwithstanding the fact that the broad lines of the budget must be worked out by the heads of the departments, the splitting up of the amounts to be expended must be intrusted to specialists.

From the foregoing it appears that the treasury is the responsible budget office in Great Britain. In this office is a highly organized and permanent budget staff immediately responsible to the financial secretary of the treasury, who is himself a member of the ministry. To the treasury all the civil departments annually submit their estimates of expenditure for the coming fiscal year. These estimates are used as the working basis by the treasury staff, and the latter is vested with the responsibility of inquiring into estimates and modifying them, submitting to the ministerial officers of the department the problems of large significance. Thus the treasury staff, under the direction of the chancellor of the exchequer and the financial secretary of the treasury, prepare the budget of Great Britain for all the civil departments of the Government. Under the direction, likewise, of the chancellor of the exchequer there is annually prepared an estimate of the receipts of the Government for the approaching fiscal year; and if the estimated receipts are less than the estimated revenues this officer prepares plans of taxation to raise the additional required amount of revenue.

So, then, the budget is submitted to Parliament in three parts—one part for the army, by the secretary of state for war; one for the navy, by the first lord of the admiralty; and one for all the civil departments, by the chancellor of the exchequer; and likewise this latter officer submits proposed plans of taxation.

The budget as it is finally worked out must be in such shape as to have the approval of the ministry and it is presented to the Parliament with all the authority of the ministry and the responsibility is assumed by the ministry for what it contains. Now, there is no standing committee in the House of Commons, but the budget is presented immediately to that institution in Great Britain that we have copied for our own Congress—the Committee of the Whole. The reason why it is not presented to one or more committees of the House of Commons is because the ministry is itself, for the most part, made up of members of that body, and therefore is practically itself a committee of the British Parliament. Furthermore, and important in connection with this system of budget making, there is no veto power in Great Britain, and in addition the House of Lords may not amend the budget or financial bills. Can anyone, then, apply the British system to the United States? Those who urge that system and attempt to make application, urge that we should rely with almost blind simplicity and confidence upon the Cabinet or the President for the budget, because the ministry is so relied on in Great Britain.

The Cabinet in the United States is not part of the legislative body, but is a separate and distinct institution responsible in an immediate way to the President, not to Congress. In Great Britain the ministry is practically a committee selected from Parliament. Bear in mind again that in Great Britain, if a great policy, such as might be involved in a budget, shall be presented by the ministry and shall be rejected by the Parliament, the ministry does one of two things—it resigns, that a new ministry may be invited by the King to assume control, or it goes before the country, calling an election and asking to be justified or turned down.

Is that the policy in the United States? Did you ever hear of a President and his Cabinet resigning when the Congress turned down a policy recommended by the President and his Cabinet? Did you ever hear of a President and his Cabinet urging a special vote of confidence or resigning so that vacancy would be created and an election be held? Not at all. On the other hand, the President and his Cabinet are intrusted with executive responsibility for a period of four years, and the very arbitrary and independent character of the Executive,

together with the fact that the Executive has the veto power, places this branch of the Government upon such a different basis from that which obtains in Great Britain that there can be no sensible analogy drawn between a budget system that would work in Great Britain and one that would be satisfactory in the United States.

FRENCH BUDGET SYSTEM.

And as for France, the situation there is analogous rather to Great Britain than to the United States. The President is elected by the two legislative bodies in joint session for a period of seven years. The senators are elected indirectly for a period of nine years. The deputies are elected by direct vote for a period of four years. The cabinet is named by the President, and while there may be some members chosen from the outside, for the most part the members of the cabinet are selected from the Senate and Chamber of Deputies. Finance matters may originate only in the Chamber of Deputies and not in the Senate. The budget is prepared under the direction of the minister of finance by a budget committee, and is supposed to represent the idea of the cabinet touching expenditures and revenues.

The budget is submitted to the Chamber of Deputies in the form of a bill, and by that body is immediately referred to the budget committee made up of 44 members of the chamber. The budget committee has full power in the matter of increasing, reducing, or eliminating items of the bill or adding new items. The budget committee reports the measure to the chamber and the powers of the chamber are limited. No new item may be offered, and no items may be increased if they pertain to salaries, compensations, or pensions. Furthermore, all other amendments must be offered in the early stages of procedure of consideration of the measure. The ministers may, of course, participate in the debate, and may offer amendments within limitations to supplement the original estimates. If the bill passes the chamber it goes to the Senate, and by that body is referred to a committee of 27 of its own membership, called the finance committee. This committee reports the bill, with any permissible amendments, to the Senate, but neither the committee nor members of the Senate may propose any amendments other than to strike out or reduce items, except such items as had been eliminated from the bill in the Chamber of Deputies.

As in Great Britain, the cabinet is to all practical purposes a committee of the legislative body, and if the cabinet shall be turned down and the budget bill shall fail, why, as in Great Britain, the ministry is dissolved and a new cabinet is appointed, representing what seems to be the prevailing point of view of the legislative body.

So we see that in both of these countries the executive is very largely a part of and responsible to the legislature. Now, this is not at all true in the United States, and for that reason an entirely different budget system must be worked out.

BUDGETS IN OTHER COUNTRIES.

I have examined the budget systems with some care of other countries—Switzerland, Japan, Germany under the Empire, Canada, and Australia. They are all interesting and made to meet the peculiar structure of government with the varying balancing of power between the executive and the legislative branches. In Germany under the Empire too much authority was vested in the Emperor. And this is true in Japan, where no bill perthining to finances may be introduced into the Diet that has not first had the approval of the Crown. In Canada, Australia, and Switzerland the budget system is more analogous to that of Great Britain, for the executive department is wholly or largely dependent upon legislative will.

LEGISLATIVE BUDGET.

It has been suggested that the legislative branch of our Government should be the branch to prepare the budget, since it controls the purse strings and since it is responsible immediately to the people.

The criticism that I make against that idea is that the legislative branch of the Government can not know the details of the wants of the various departments and bureaus of the Government. It can not know the relative value of the various functions of the Government. To provide such a system would be to reverse the orderly manner of procedure.

The administration is in position to know what each particular branch is doing, to have an idea of the importance of the work, and to assemble under one head or in one group the items of expenditure that it is willing to go to Congress and ask be taken care of.

The legislative branch of the Government has its function not in initially preparing the budget but in discussing it, in giving publicity to the various items suggested, in criticizing, if you please, in subtracting and adding to, and helping the administration to a better knowledge of the attitude of the public toward the facts and toward agencies of the Government.

EXECUTIVE BUDGET.

There are some who say, "Let us have an executive budget." These persons have in mind, or think they have in mind, the budget system of Great Britain or France. As a matter of fact, as I have indicated, the executive in those two countries is wrapped up and identified with the legislative body. Those who would urge an executive system upon the United States with our executive department a separate and distinct department of government, with the tenure of office fixed at four years, with the Executive not subject to recall the moment his policy might be turned down by the Congress—those who urge this system have read history to small purpose. They have not been impressed with the struggle that for several hundred years went on in England, from which country we borrowed very largely our system of government—the struggle, I say, to wrest from the Crown the right of the people to have a part in taxation. These people have read to little purpose not only the struggle in Great Britain but the struggle that went on in the colonies before our separation from the mother country by asserting the right of representation if taxation were to be imposed. They have read to little purpose the history of the debates that centered around the formation of our Government when we drafted a Constitution that separated the executive from the legislative; that gave to the Congress the purse strings; that provided that bills for the raising of revenue should originate in the House; and that placed upon the Executive the responsibility of administering and carrying out the policy that the representatives of the people themselves had outlined. Those who urge the executive budget forget, too, as they point to Great Britain and to France, that our President and his Cabinet will not resign, and are not expected to resign, upon the Congress turning down a policy recommended by the administration.

BUDGET SYSTEM FOR THE UNITED STATES.

From what I have said touching the system of the budget in Great Britain and in France, it must be apparent that a similar system would not be at all appropriate in the United States. In the United States the executive and legislative branches of the Government are separate and distinct. It would seem, however, that the budget in its preparation, in the first instance, should be the work of the executive branch of the Government. The legislative branch can not know the details of the various executive departments, and it would seem that an orderly way to proceed would be for some institution to be established under whatever name—bureau, commission, or what not—that would have the responsibility of gathering in the facts from all the departments, commissions, bureaus, or other agencies of the Government, touching expenses for the coming year, and also that would have the responsibility of gathering in the facts touching the prospective revenues for the same period. This agency should be separate and apart from any Cabinet office. It should be an independent institution or bureau responsible only to the President. It should have the power to go carefully into the affairs of all the departments and bureaus of the Government, ascertain and know the needs and wants of such departments and bureaus, ascertain whether or not there is overlapping of work or duplication of work that could be eliminated, and whether or not work that is being done in several departments could not be combined under one. Also there should be provided another institution that would have charge of the auditing of all the accounts of the several departments and bureaus, and there should be further intrusted with this institution power and responsibility of inquiring into expenses, of checking up on efficiency, of even calling a halt on expenditure until the President himself may be advised. It should be the function of the budget bureau or commission to submit to the President all the facts touching on the prospective needs of the various departments, bureaus, and commissions and the expenditures that will be necessary during the coming year, and as well laying before the President facts touching the revenues for the same period. It should then be the duty of the President to submit to Congress such a budget as he is willing to stand for and as to which he is willing to have his administration responsible. It would seem advisable that there should be submitted to Congress at the same time by the President an alternative budget that would indicate the vital needs of the country and that would eliminate expenditures for the maintenance of institutions or the carrying on of functions that can well be carried on, but that in case of necessity could with least difficulty and embarrassment be avoided.

The budget, then, as initially prepared, should represent the wishes of the administration. Now, it happens that sometimes unusual conditions make it necessary for unusual expense to be

incurred. The President should then have the power to submit supplementary estimates or statements calling for further funds and indicating the reasons therefor. Likewise, new legislation sometimes provides for expenditure of money, and, after the President may ascertain what the expenses may be, he should have the power to make new statements to the Congress that in a way would supplement the budget.

With these ideas in view, the Good bill has been prepared, and I shall briefly outline what it does.

THE PENDING BILL.

First. It creates a bureau of the budget.

(a) This bureau is responsible to the President.

(b) All departments, bureaus, boards, commissions, offices, agencies, or other establishments of the Government, except the legislative branch and the Supreme Court, shall furnish annually to the President estimates of cost of their maintenance for the succeeding year.

(c) The bureau of the budget shall assist the President in working out a budget for the executive branch of the Government.

(d) The Secretary of the Treasury shall submit to the President his estimate of public revenues for the coming year and the condition of the Treasury.

Second. The President shall transmit to Congress on the first day of each regular session a document called a budget, which shall contain balanced statements of the revenues and expenditures of the Government for the preceding fiscal year and of the resources and liabilities of the Treasury at the close of the year, his estimate of the revenues and expenditures of the Government for the current fiscal year and of the resources and liabilities of the Treasury at the close of the year, his estimates of the revenue and expenditure needs of the Government for the ensuing fiscal year, and how, in his opinion, these needs should be met. The estimates of expenditures for the legislative branch of the Government and the Supreme Court shall be those submitted to the President. The President shall transmit with such budget such further data regarding the financial affairs of the Government and such recommendations in relation thereto as he deems proper.

Third. The President shall transmit an alternative budget.

Fourth. No estimate or request for appropriation or recommendation for raising revenue shall be made by an executive officer of the Government to the Congress except through the President, unless at the request of either House of Congress.

Fifth. Special additional estimates may be made.

(a) To meet conditions under new laws.

(b) To supplement prior estimates.

Sixth. An accounting department is created.

(a) Independent of executive department.

(b) Under control and direction of comptroller general of the United States.

(c) Comptroller appointed by President, confirmed by Senate.

(d) Services for good behavior.

(e) Takes place of six auditing offices under present law, and the latter are abolished.

(f) Duties of accounting department defined.

I shall take but a few words further to note a few ways the budget and accounting system should react on our governmental financial affairs.

LUMP SUM AND ITEMIZED APPROPRIATIONS.

When Congress appropriates a sum of money without itemizing the use to which the money is to be applied, we call it a lump-sum appropriation. Discretion is then left with the executive officer to administer the fund. If all administrative officers would act in good faith, this would be the best kind of appropriation to make within broadly definite bounds, for the money could be made to go further and purchase more of service than when itemized lists are attached indicating that for which the money shall be applied. Ordinary business economies could be practiced in purchasing supplies and in employing help. Employees could be readily shifted from one department to another as work was heavy or light. An $1,800 clerk could alternate between two offices and handle the work admirably under a lump-sum arrangement, while under an itemized arrangement two clerks at $1,800 each would be employed oftentimes and each do about half work.

And so in other ways that a business man would devise.

But experience has shown that the lump-sum system will not be faithfully executed by all heads of bureaus. Favoritism is shown; unequal and even widely different compensation for the same work is paid; ambitious heads of divisions overreach in extending the activities under them beyond all bounds; these and other evils make dissatisfaction among employees and among division heads. In spite of economies that are disclosed under faithful heads of divisions, the extravagances and overreaching ambitions of unfaithful heads neutralize all good and produce an exceedingly large balance of wrong. To correct these wrongs and protect the public, Congress has been compelled to itemize in large degree the matters for which funds shall be spent.

Now, it would seem that under the budget system, coupled, as it is, with an independent audit system, the lump-sum appropriations idea could be somewhat extended, the good being attained and the evils eliminated. The comptroller general would be the first to discover abuses, and the budget bureau would have a second check.

WOULD PREVENT OTHER ADMINISTRATIVE ABUSES.

But the budget and audit plan would prevent still other abuses. The administration would constantly have its attention called to inefficiency. The inefficiency that results from infirmities of employees and the humanity of bureau heads in refusing to discharge those who have seen long service and are no longer able to render anywhere near a dollar's worth for a dollar paid, I trust will be corrected by civil-service retirement legislation.

But there is another class of inefficiency that the budget and audit system should reach. I have not the slightest doubt that Members of Congress are able to obtain and do obtain better and more efficient secretaries and clerks than they could possibly obtain through the civil service for the same compensation, and why? Because they are able to pick and choose and retain the efficient and dismiss the dull. But in assembling many thousands of clerks and other employees, as must be done in the departments, we must have civil service, with all its faults, to prevent still greater wrongs. Under it the large majority of employees are thoroughly high class, but not all. Inefficient employees, like clinkers in a furnace, hamper the work. They are in all departments, killing time, disturbing public business, writing answers to letters that do not answer, stupidly pretending to do work that live employees must do over again or waste their good time coaching the dullards. To get rid of the worthless when once installed is the bane of department heads. We all know of clerks who are shunted from division to division, department to department, because they can not make good, and chiefs very kindly help them to a transfer rather than make a fight to dismiss them entirely. "Let George do it" is the motto as these Government failures are passed on for another chief to dispose of. I am told that it is almost impossible to get rid of worthless help when once installed.

Surely the budget and audit system will go far to correct this situation, and to rid the pay roll of this type. Faithful and competent employees will welcome the prospect and the Public Treasury will be the gainer by the change.

HORIZONTAL CUTS.

Another thing to be hoped for is the more scientific scaling down of amounts asked for as occasion demands. Just as an individual, our Government should keep within its income. If the ready estimates of expenditures total $1,500,000,000 and the estimated revenues equal only $1,000,000,000, clearly the budget must be reduced or new taxes must be laid. One way to reduce the budget would be to clip one-third off every item in the estimates. But this will not do, for some items can better be eliminated entirely rather than suffer other items to be reduced a penny. Just as in a private home, the father may give over buying an automobile, but he can not give over medical attention for his child. The Congress tries to discriminate under the present system, but under the budget plan proposed the administration would be asked to discriminate and to indicate to Congress the items of most vital concern.

ALTERNATIVE BUDGET.

This leads me to notice one of the most vital features of the bill, the section that provides for an alternative budget. Every department should be asked to advise the President, and thereby the budget bureau, what items are vital and should be maintained should the occasion arise for reducing the budget 20 per cent, 50 per cent, or more. Then the budget bureau, having the advice of the respective department heads, could make further analysis for the benefit of the President, and the President would come before Congress with a definite program. The President would say, "Here is an outline of my idea of how the Government can best spend a billion and a half of dollars, and here is an outline of the way the Government should spend the money if only a billion dollars shall be available." The Congress would then take the estimates and bring its judgment to bear upon them.

All in all, the adoption of the budget and audit system, as is provided in the pending bill, will go far toward establishing a

more businesslike administration of public affairs. Under this system the administration will be responsible for the budget as proposed, the Congress responsible for the budget as passed. Under this system duplication of work in departments would be eliminated or a satisfactory reason be established wherever it continued. Under this system inefficiency would be disclosed. Under this system there would constantly be held up to Congress and to the country a picture of that for which the people's money is expended. Under this system the issue could always be made whether or not any particular function of Government should be carried on or be abolished.

Every dollar that we spend comes from the people. The man of wealth may pay millions, and the poorest citizen of our land, whose hands are horny with toil, contributes his share when he purchases so much as a postage stamp. Both alike want good government; they want order, security, conveniences that organized society affords, and they are willing to pay the cost. And, again, both alike ask that in the expenditure of their money a hundred cents' worth of service be bought for every dollar paid.

Mr. GOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having taken the chair as Speaker pro tempore, Mr. TOWNER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (H. R. 9783) to provide a national budget system and an independent audit of Government accounts, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS.

Mr. KELLER. Mr. Speaker, I would like to have unanimous consent to extend my remarks.

The SPEAKER pro tempore. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD.

Mr. GARNER. On what subject?

Mr. KELLER. On this bill.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

LEAVES OF ABSENCE.

By unanimous consent, leave of absence was granted to the following:

To Mr. THOMAS, for an indefinite period.

To Mr. DRANE, on account of important official business.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RAMSEY, 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 bills:

H. R. 9203. An act to punish the transportation of stolen motor vehicles in interstate or foreign commerce; and

H. R. 1429. An act adding certain lands to the Idaho National Forest and the Payette National Forest, in the State of Idaho.

EARTHQUAKE IN PORTO RICO.

Mr. TOWNER. Mr. Speaker, I ask unanimous consent to have printed as a public document a report regarding the earthquake investigation made by Dr. Reed and Prof. Taber in the island of Porto Rico. This report was made under the direction of the Secretary of War, and it is requested that it be printed as a public document, it being of considerable scientific interest and value.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent that the matter indicated be printed as a public document. Is there objection?

Mr. GARNER. Can the gentleman state what prevents the War Department from printing this?

Mr. TOWNER. I could not say. It is usual. I think there is no question but this is the usual way in which these scientific investigations have been made. The earthquake, as the gentleman knows, in Porto Rico was quite a serious one. Such a one had never occurred before on the island. It is of considerable interest to scientific men.

Mr. GARNER. The gentleman knows that the War Department has a fund out of which it could publish this document, if it desired to do so.

Mr. TOWNER. I do not know anything about that, I will say to the gentleman.

Mr. GARNER. They have a fund out of which they can publish such documents as they think are necessary. Does the gentleman know how much it will cost?

Mr. TOWNER. Yes. I have an estimate here of what it would cost.

Mr. MASON. It would not cost any more here than there, would it?

Mr. SEARS. Would it stop the earthquakes?

Mr. TOWNER. The statement is that it will require a little over $300, I will say to the gentleman.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. GOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 12 minutes p. m.) the House adjourned until to-morrow, Saturday, October 18, 1919, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SANFORD, from the Committee on Military Affairs, to which was referred the bill (H. R. 2980) to increase the efficiency of the Military Establishment of the United States, reported the same without amendment, accompanied by a report (No. 389), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. TILLMAN, from the Committee on the Public Lands, to which was referred the bill (H. R. 9089) releasing the claim of the United States Government to the block or square of land in the city of Fort Smith, in the State of Arkansas, upon which is situated the old Federal jail, to the city of Fort Smith for a site for a convention hall, community building, and other public purposes, reported the same with amendments, accompanied by a report (No. 388), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 9863) granting a pension to Robert Criswell Pollock, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MAPES (by request): A bill (H. R. 10004) to authorize the widening of Georgia Avenue between Fairmont Street and Gresham Place NW.; to the Committee on the District of Columbia.

By Mr. SANFORD: A bill (H. R. 10005) to provide for the furlough to the Regular Army Reserve of enlisted men serving in the present emergency; to the Committee on Military Affairs.

By Mr. ANDERSON: A bill (H. R. 10006) authorizing the Secretary of War to donate to the Township Association, Watchung, Somerset County, N. J., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. ROGERS: A bill (H. R. 10007) authorizing the purchase of buildings and grounds for the embassy of the United States at Santiago, Chile; to the Committee on Foreign Affairs.

By Mr. KAHN: A bill (H. R. 10008) to regulate the marriage of persons in the military and naval forces of the United States in foreign countries, and for other purposes; to the Committee on Military Affairs.

Also, a bill (H. R. 10009) providing for the relinquishment of certain described property by the United States to the city and county of San Francisco, State of California; to the Committee on Public Buildings and Grounds.

By Mr. KLECZKA: A bill (H. R. 10010) providing for the deportation of certain aliens who withdrew their declaration of intention to become citizens of the United States in order to escape military service; to the Committee on Immigration and Naturalization.

By Mr. KREIDER: A bill (H. R. 10011) authorizing and directing the Director of the Census to collect and publish monthly statistics concerning hides, skins, and leather; to the Committee on the Census.

By Mr. ANDERSON: Resolution (H. Res. 341) to provide changes in the rules of the House in connection with the establishment of a national budget; to the Select Committee on the Budget.

By Mr. DAVILA: Joint resolution (H. J. Res. 234) authorizing the establishment of a free port of entry at San Juan, P. R.; to the Committee on Ways and Means.

By Mr. FITZGERALD: Joint resolution (H. J. Res. 235) authorizing the Director General of Railroads to prepare and put immediately into operation a system of rates that will give proper service to the public and a reasonable dividend or protection to the investor; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. BROWNING: A bill (H. R. 10012) granting a pension to Grace Kavanagh; to the Committee on Pensions.

By Mr. COADY: A bill (H. R. 10013) granting a pension to Zora Schenkelberger; to the Committee on Pensions.

By Mr. CHRISTOPHERSON: A bill (H. R. 10014) granting a pension to Lydia Lenora Henson; to the Committee on Invalid Pensions.

By Mr. ESCH: A bill (H. R. 10015) granting a pension to Edith Payne Trimm; to the Committee on Pensions.

By Mr. FISHER: A bill (H. R. 10016) granting a pension to Abe Erlich; to the Committee on Pensions.

By Mr. HULL of Tennessee: A bill (H. R. 10017) granting an increase of pension to James N. Davis; to the Committee on Pensions.

By Mr. HUTCHINSON: A bill (H. R. 10018) granting an increase of pension to William Todd; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Kentucky: A bill (H. R. 10019) granting a pension to Margaret A. Jewell; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 10020) for the relief of the dependents of Lieuts. Jean Jagou and Fernand Herbert, French military mission; to the Committee on Military Affairs.

By Mr. LAYTON: A bill (H. R. 10021) granting a pension to Thomas R. Henthorne; to the Committee on Invalid Pensions.

By Mr. McKINLEY: A bill (H. R. 10022) granting a pension to Rush W. Burnside; to the Committee on Pensions.

By Mr. MASON: A bill (H. R. 10023) authorizing the President to award a congressional medal to Isabella Bosquette; to the Committee on Military Affairs.

Also, a bill (H. R. 10024) to authorize the Secretary of War to retire Julius Baron as a second lieutenant; to the Committee on Military Affairs.

By Mr. PAIGE: A bill (H. R. 10025) granting an increase of pension to Florence E. Handy; to the Committee on Invalid Pensions.

By Mr. PLATT: A bill (H. R. 10026) granting an increase of pension to Katherine Candee; to the Committee on Pensions.

Also, a bill (H. R. 10027) granting an increase of pension to John W. Scott; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10028) granting a pension to Theodore S. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10029) granting a pension to George R. Everhart; to the Committee on Pensions.

Also, a bill (H. R. 10030) granting a pension to Robert W. Koontz; to the Committee on Pensions.

Also, a bill (H. R. 10031) granting a pension to Elizabeth L. M. Miller; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

By the SPEAKER (by request): Petition of three citizens of Lamar, Mo., favoring the impeachment of Woodrow Wilson, President of the United States; to the Committee on the Judiciary.

By Mr. BURDICK: Resolutions adopted by mass meeting of citizens of Newport, R. I., urging the recall of foreign loans to Governments and objecting to further loans to Great Britain until she withdraws her armies of occupation from India, Egypt, and Ireland, and compels Japan to withdraw from Shantung and Korea; to the Committee on Foreign Affairs.

By Mr. CARSS (by request): Petition of the board of education of the city of Duluth, Minn., and of the Young Women's Christian Association of Duluth, Minn., favoring legislation to establish a Federal motion-picture commission; to the Committee on the Judiciary.

By Mr. COADY: Petition of sundry citizens of Maryland, favoring the passage of the bill recently passed by the Senate pensioning ex-members of the old United States Life-Saving Service who were disabled in service; to the Committee on Pensions.

By Mr. CLASSON: Petition of St. Paul's Evangelical Church, Oconto, Wis., denouncing lynching outrages; to the Committee on the Judiciary.

By Mr. ESCH: Petition of Michael Davitt Branch, Friends of Irish Freedom, urging Congress to recognize the Irish Republic; to the Committee on Foreign Affairs.

Also, petition of Wisconsin Circuit Court Clerks' Association, favoring amendment of section 10 of the naturalization laws so as to facilitate the naturalization of aliens; to the Committee on Immigration and Naturalization.

By Mr. KENNEDY of Rhode Island: Resolutions adopted by mass meeting of citizens of Newport, R. I., urging recall of foreign loans to Governments and objecting to further loans to Great Britain until she withdraws her armies of occupation from India, Egypt, and Ireland, and compels Japan to withdraw from Shantung and Korea; to the Committee on Foreign Affairs.

By Mr. MOON: Papers to accompany House bill 9999, granting an increase of pension to James B. King; to the Committee on Pensions.

By Mr. NOLAN: Petition of Angel City Court, No. 579, Court of Foresters, Los Angeles, Calif., protesting against the passage of the Smith-Towner bill; to the Committee on Education.

By Mr. TAYLOR of Tennessee: Petition of American Zinc, Lead & Smelting Co., of Mascot, Tenn., protesting against the passage of Senate bill 2896, regulating manufacture, storage, sale, purchase, and use of explosives and ingredients; to the Committee on the Judiciary.

SENATE.

SATURDAY, *October 18, 1919.*

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

Almighty God, we thank Thee for the abundant life that has a fullness of possibilities within it. A life of marvelous resources Thou hast put at our command. Thou dost call us with this life into the larger service of the world. We pray that obedient to the divine will, following the light along the pathway of human progress, we may toil onward and upward, ever accomplishing the purpose of God in us as a people. For Christ's sake. Amen.

The VICE PRESIDENT resumed the chair.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

Mr. SMOOT. Mr. President, I 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	Hale	Norris	Smoot
Capper	Henderson	Nugent	Spencer
Chamberlain	Hitchcock	Overman	Sterling
Colt	Jones, Wash.	Page	Thomas
Culberson	Kenyon	Penrose	Trammell
Curtis	Kirby	Pittman	Wadsworth
Dial	McKellar	Sheppard	Walsh, Mont.
Dillingham	Nelson	Sherman	
Edge	New	Simmons	
Fletcher	Newberry	Smith, Ga.	

Mr. CAPPER. I wish to announce that the Senator from North Dakota [Mr. GRONNA], the Senator from Oregon [Mr. MCNARY], the senior Senator from Louisiana [Mr. RANSDELL], the Senator from Mississippi [Mr. HARRISON], the Senator from New Hampshire [Mr. KEYES], the junior Senator from Louisiana [Mr. GAY], and the Senator from Wyoming [Mr. KENDRICK] are absent in attendance at a meeting of the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Thirty-eight Senators have answered to the roll call. There is not a quorum present. The Secretary will call the names of absent Senators.

The Secretary called the names of the absentees, and Mr. KING, Mr. LENROOT, Mr. PHIPPS, Mr. SUTHERLAND, and Mr. UNDERWOOD answered to their names when called.

Mr. GERRY, Mr. CUMMINS, Mr. STANLEY, Mr. ROBINSON, Mr. POMERENE, Mr. FERNALD, Mr. KELLOGG, Mr. LODGE, and Mr. POINDEXTER entered the Chamber and answered to their names.

Mr. SMOOT. I desire to announce that the Senator from New Mexico [Mr. FALL] and the Senator from Connecticut [Mr. BRANDEGEE] are absent holding a hearing on the Mexican situation.

Mr. PHELAN, Mr. TOWNSEND, Mr. MCLEAN, and Mr. LA FOLLETTE entered the Chamber and answered to their names.