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"I am asking him if he knows anything about it."

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MAY 19

8870

CONGRESSIONAL RECORD—SENATE

The Chair lays before the Senate the message from the President of the United States which will be read.

The reading clerk reads the message as follows:

To the House of Representatives:

Herewith is returned, without approval, H. R. 7959, a bill "to provide adjusted compensation for veterans of the World War, and dependent and survivors of deceased veterans, and for other purposes."

The bill provides a bonus for the veterans of the World War and dependents of those who fell. To certain of its beneficiaries, whose maximum benefits do not exceed $50, this bonus is to be paid immediately in cash. To each of its beneficiaries who have not yet received such insurance, the compensation is payable at the face value of the policy, to be provided free insurance under a 20-year endowment plan. The face value of each policy will be based upon the military service, the average amount being at least $962, payable at the expiration of 20 years or at death prior thereto. After the lapse of two years the holder of a policy may borrow thereon from banks at reasonable rates of interest. If amounts so borrowed are not repaid by the veteran, the Government is obligated to pay to the banks this insured principle, which ultimately reduces the maturity value of the policy.

An appropriation of $4,600,000,000 for the fiscal year 1925 will be required to provide the annual cost of the insurance and to meet cash payments to those not receiving such insurance. Payments not to be paid in cash will be required to provide the prorated annual cost of the insurance. This does not include administrative costs, which will amount to approximately $40,000,000. The appropriation of $155,000,000 will be required, and the annual appropriations for the 20-year period will be required, after the annual estimate at the rate of $3,145,000,000. These, and the other figures herein are from the Veterans' Bureau, but the Treasury estimates are materially more.

That part of the annual appropriation not required to meet the cost of paying policies may be accumulated and will be invested in Government bonds. The face value of the bonds thus acquired plus the interest thereon reinvolved will equal the 20-year period of the maturity value of the insurance. The estimate at the rate of $3,145,000,000 is $114,000,000,000. This of itself should require most serious reflection, but if we are to have such a policy it should be in such form which will be in harmony with the principles of Government finance. The provisions of this bill are not so in harmony. Under it the Government will not have in the fund in 1945 two and a half billions of dollars. All it will have will be its own obligations and it will owe to the Treasury $1,500,000,000 cash. It will then be necessary to sell to the public this two and a half billions of bonds—a major operation in finance which may be disastrous at that time and may jeopardize the Federal securities. The Government will have no money to bestow upon a class of people that is not taken from the people themselves. Our first duty must be to the Nation as a whole. This outweighs in its importance the consideration of a class, and the latter must yield to the former. The one compelling desire and demand of the people to-day, irrespective of party or class, is for tax relief. The people have labored during the last six years under a heavy tax burden. This was necessary to meet the extraordinary costs of the war. This heavy assessment has been just unwillingly and without complaint. We have now reached a financial condition which permits us to lighten this tax burden. If this bill becomes law, we wipe out at once almost all the progress five years. We accomplished in reducing the national debt. If we now confer upon a class a gratuity such as is contemplated by this bill, we diminish to the extent of the expenditure the benefits of reduced taxes which will flow directly to this bill but to the entire people. We are considering that less than $40 a year would pay for the average policy provided by this bill, there is strong ground to assume that the veterans themselves would be better off to make that small payment and be relieved of the high taxes and high living costs which such legislation would impose on them. Certainly the country would. We have hardly an economic ill to-day which cannot be attributed directly or indirectly to high taxes.

The prosperity of the Nation, which is the prosperity of the people, rests primarily on reducing the existing tax burden. No other action would so encourage business. No other legislative enactment would do so much to relieve agriculture. The drastic executive campaign for economy in Government expenditure has but one purpose—that its benefits may accrue to the whole people in the form of reduction in taxes. I can not recede from this purpose. I am for the interests of the whole people. The expenditures proposed in this bill are against the interests of the whole people. I do not believe that we are in the interest of the veterans. The running expenses of the Government for services and supplies must be met. Certain other obligations in the nature of investments for improvements and buildings are necessary. The expenditure proposed in this bill is a tremendous amount. At the present rate it is nearly $35 for each resident of our country, or $175 for each family average every year, and must be modified to the interest rate. This would give for a further example in the aggregate of nearly $35 for each inhabitant and lays nearly $175 more on each family, to be spread over a period of 20 years. No one supposes the effort will stop here. Already suggestions are made for a cash bonus in addition, to be paid at once. Such an action logically would be encouraged if this bill becomes law. Neither the rich nor the profitiers will meet this expense. All of this enormous sum has to be earned by the people of this country through their labor. It is taken from the people in the form of taxes and rebates at various stages. It is a great sacrifice for the people of this country to bear this burden. No one supposes the cost of the Government will stop here. The then Secretary of the Treasury said in relation to the creation of a national debt, that the money spent for the acquisition of these bonds manifoldly increases their value. But that is not the object of this bill. The then Secretary of the Treasury said in relation to the creation of a national debt, that the money spent for the acquisition of these bonds manifoldly increases their value. But that is not the object of this bill.

There will be general dissatisfaction among the people of the Nation as to the expenditures proposed in this bill. The Nation stands ready to expend any amount needed for their proper care. But that is not the object of this bill. America entered the World War with a higher purpose than to secure material gain. Not greed but duty was the impelling
motive. Our veterans as a whole responded to that motive. They are not asking as a whole, they do not want as a whole, any help from the Government. They want as a whole, for the most part, of course, prefer an immediate cash payment. We must either abandon our theory of patriotism or abandon this bill. Patriotism which is bought and paid for is not patriotism. Our country is no longer secure, our people no longer free. To take it from them by taxation cannot be justified except on the basis of some ideal. The property of the people belongs to the people. Those who have the largest financial income are to abandon one of our most cherished American ideals. The property of the people belongs to the people.

The right honorable Senator from Colorado, Mr. SMITH, who has just addressed the Senate, said that the American people are against this bill. In that statement I find a perfect blunder. Our fellow countrymen are not against it; they are proud of it. They have been proud of it ever since it was first passed by the Senate. Why do they feel so proud of it? Because it is for the World War veterans.

Mr. NEELY. I do not wish to agree with the statement of the Senator from Colorado. I have read the bill. I have read the discussion of it in the newspapers. If there were one principle which I would have the Senate recognize it is the principle of public necessity. Unless this principle be recognized voting for a bill is mere speculation. I wish to read for the information of the Senate an article of extraordinary prominence which appears in this morning's Washington Herald, and which constitutes an outrage upon the intelligence of the senators, the independence, and the very manhood of 10 Republican Members of this body.

The article in question is as follows: BONUS ADVOCATES, KEEP YOUR B EYE ON THESE 10 SENATORS Propagandists for rejection of the soldier bonus bill are concentrating their efforts on 10 Republican senators who voted for the measure and are reported yesterday to be wavering. Friends of the bonus, keep your eye on these senators to see how they vote on the final roll call: FESS, Ohio; WARREN, Wisconsin; CAMERON, Arizona; COWAN, Rhode Island; ELKINS, West Virginia; KETES, New Hampshire; MCLAIN, Connecticut; PHIPPS, Colorado; SKEEN, Missouri; WILSON, Ohio.

Mr. President, if my colleague and I, whose true fixed and resting quality is as constant as the northern star, of whose true fire and resting quality is as constant as the northern star, were present, the Senator from Louisiana [Mr. RANSDELL] would vote "yea" and the two Senators from Mississippi would vote "yea.

Mr. GERRY. I wish to announce that the Senator from Massachusetts [Mr. WALTHER], if present, would vote "yea." I further offer to announce that a train returning from keeping an engagement in his home State yesterday he expected the debate would lead to a vote not being reached until a later hour in the day.

Mr. CURTIS. I desire to announce that the Senator from Illinois [Mr. MCCORMICK] and the Senator from Michigan [Mr. COUSZEN], if present, on this question would vote "yea.

The roll call resulted—yeas 59, nays 26, as follows:

YEARS—59

Alabama—Jones, Wash. 59
Ashurst 59
Brandegee 59
Brookhart 59
Brovour 59
Brower 59
Camaron 59
Goodling 59
Cutter 59
Hale 59
Curray 59
Harrell 59
Coats 59
Cost 59
Dit 59
Edge 59
NAYS—26

Bull 26
Beyard 26
Bryant 26
Bruce 26
Brown 26
Brucker 26
Brown 26
Budge 26
Brossard 26
Broussard 26
Broward 26
Bryan 26
Bull 26

Mr. ROBINSON. Mr. President, I know of no reason why the Senate should be held up to a vote not being reached until a later hour in the day.

Mr. FESS. The most conclusive answer to that slander will be voted on this question the yeas are 59, the nays 26; so the bill is passed the objections of the President to the contrary notwithstanding.

Mr. HARRISON subsequently said: Mr. President, I believe that the veto message of the President would be called up at 2 o'clock to-day, and I believe that the Senate will pass the bill. The President's veto would be accepted and the bill passed. I am not sure that I was not here to cast a vote. I was paired with the Senator from Louisiana [Mr. RANSDELL] and my colleague [Mr. COUSZEN] was also paired with him. If my colleague and I were present, we would have voted to override the President's veto and the Senator from Louisiana would have voted to sustain the veto.

Mr. President, we shall have some additional reasons to be proud of the Senate; we are about to furnish the country with a declaration that the Members of this body are not afraid of the President, and that they stand for the right as steadfastly as Caisham stood upon the burning deck.

We all know that these 10 Senators whom the Herald has so basely libeled stood upon the burning deck. We all know that these 10 Senators whom the Herald has so basely libeled stood upon the burning deck.
Mr. WALSH of Massachusetts subsequently said: Mr. President, I desire to make a brief explanation because of my absence when the vote was taken this afternoon on the question of overriding the President's veto.

An engagement, long ago made, necessitated my presence in Massachusetts yesterday. It was physically impossible for me to return prior to 11 o'clock. When I returned at 11 o'clock the vote had been taken, though it was generally believed when I left on Saturday that a vote would not be reached till late to-day. Had I been present, I should have voted "yea," standing on this position absolutely excluding the United States from all legal relations and connections with foreign countries.

This telegram has been so misunderstood and in some respects garbled that I desire to place it in the RECORD, so that my views upon these important questions may not be misunderstood. I ask unanimous consent for that purpose.

Therefore, the telegram was ordered to be printed in the RECORD, as follows:

WORLD COURT Favored by Democrats and Republicans

WASHINGTON, D. C., May 9.

Mr. JOHN M. KENNY, President of the League of Women Voters, Knoxville, Tenn.:

Will express the convictions of the League of Women Voters of Tennessee my great appreciation of their kind invitation to address them upon our international relations and my sincere regrets that at the last hour I am detailed in Washington. The final vote upon the Federal tax reduction bill is imminent, and it is believed that it will be had to-day or to-morrow. I felt that I should forego my inclination, personal pleasure, and interests and remain here to vote upon this important measure, the division of the Senate being very close. Our International obligations are numerous, and the subject is one singularly suitable for consideration for your organization.

It is a pleasant subject of discussion. The United States is at peace with all the world. We have no controversies with any nation likely to lead to war. We have treaties of peace, amity, and commerce with all civilized nations and entangling alliances that would likely embroil us in war with none. We have treaties with 50 sovereign nations, including the great powers, providing for conciliation and peaceful arbitration in all differences that may arise between the signatories of such treaties.

PERMANENT COURT OF ARBITRATION

The Permanent Court of Arbitration, with its seat at The Hague, Holland, was organized with ample procedure and jurisdiction for the peaceful adjustment of all international disputes and the promotion of peace at home and abroad. It has the position to meet the threatening war and is now successfully functioning. The United States was chiefly instrumental in creating this court and is obligated by numerous treaties to submit controversies with other nations to it.

We therefore have almost unlimited facilities for peaceful settlement of all disputes with other nations which can be arbitrated and adjudicated. We have no cause to fear a foreign enemy. There is no foreign nation that can conquer and subdue America. The whole world was astonished when in the recent war we raised and placed in the field, armed and equipped for battle with ample supplies, 4,000,000 men, and provided a formidable Navy, all within a limited time. We so demonstrated our great resources of men and wealth and the splendid efficiency of our government that the world makes it perfectly clear that we will ever dare to attempt to invade our country or conquer our people.

The Permanent Court of International Justice, also sitting at The Hague, established by the League of Nations in 1921, now functions, has jurisdiction, and has determined one controversy and given eight advisory opinions to the league. The Permanent Court of Arbitration and the Permanent Court of International Justice are both courts of arbitration and have little or no resemblance to courts of judicature. They have no jurisdiction over sovereign nations or subject matter and can only hear cases voluntarily submitted to them. There is no sanction for their decrees but public opinion. They are practically of equal dignity and power and functioning in the same city concurrently and harmoniously. The Permanent Court of Arbitration is open to all nations and the Permanent Court of International Justice to the members of the League of Nations and the three other nations, including the United States, assenting to its jurisdiction. The chief difference between the courts is in the method of election of the arbitrators or judges, the parties to controversies in the Permanent Court of Arbitration having a larger per cent of the selection than the parties to the controversies submitted to the Permanent Court of International Justice.

President Harding, when in life, favored the United States adhering to the Permanent Court of International Justice, and President Coolidge concurs with him, both asking the advice and consent of the Senate on the reservations, with reservations, that I have made. Senator JOHNSON of Minnesota, a member of the Committee on Foreign Relations, having a similar resolution.

Senator Thomas J. Watson, also a Democratic member of the Committee on Foreign Relations, in a speech made at the recent convention of women voters at Buffalo, advocated the United States adhering to the permanent court for the moral support it would give to Europe, stating that the majority of the Democratic Senators favored it, and at the same time saying:

"This is not a plea for the entrance of the United States into the League of Nations. Events transpiring since 1929 affect quite materially the view one must take of the problems, relations, with that organization we have so often been assured in doubt, but which somehow refuses to stay dead and which is in fact very much alive and is considered by the nations of Europe as a most valuable agency for the peaceful settlement of international disputes and the promotion of international peace and prevention of war.

"I do not plead for a reversal of the verdict through which the United States declined membership in the league. I plead for the active participation of the Government in any effort which may be made through it or any other agency to bring about a restoration of normal industrial activity to Europe and to establish a state of actual peace among them in every case in which it is reasonably safe to do so without entangling ourselves in their quarrels."

This statement of conditions and facts demonstrates that the American people and the majority of the members of the two great political parties, recovering from the great conflict caused by the horrors of war and regaining their national soul, are now uniting to support our Government in international matters and considering them an American and nonpartisan standpoint, as Americans have done in the past from the foundation of our Government.

There should be no prejudice against the Permanent Court of International Justice because it was organized by the league, provided the United States continues absolutely unobligated and free from the political provisions of the covenant of the League likely to embroil it in the wounds and wars of other nations. While the Permanent Court of Arbitration and arbitration treaties seem ample to settle all international disputes, yet it adherence to the World Court by the United States will give it moral support and contribute to the peace and tranquillity of Europe, it is plain no longer. It has always advocated peace at home and abroad, and by a policy of nonentangling alliances and nonintervention in foreign affairs held itself in a neutral position to offer its good offices to all countries involved in disputes, and in the last war where it was able to do so without entangling ourselves in their quarrels.

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FAVOR SWANSON'S RESOLUTION

In the cause of humanity and in the advancement of the material interest and commerce of its citizens, it should continue this policy where it can do so without prejudice to the interest of our people. The resolution of Senator SWANSON with the reservations proposed by him with those which the United States made in becoming a signatory to the convention creating the Permanent Court of Arbitration, preserving our traditional policies in dealing with the other nations and withstanding all questions involving vital interest, independence, and honor, which have never been the subject of arbitration or adjudication, should be adopted at the present session of the Congress, and I hope that it will be promptly done. The common understanding of the great moral and national position of the United States would so express the will of the party which they respectively represent, and favor our adherence to the Court of International Justice under conditions hereinafter stated.

The policy of Mr. Harding, after great political discussions among the American people concerning our foreign relations and the President and the Congress can give their undivided attention to legislation for the relief of the industrial and agricultural interests and other domestic matters so long suffering and neglected. I favored peace negotiations and arbitration of all international disputes in my speeches in the discussion of the League of Nations as appear in the CONGRESSIONAL RECORD, and the probable policies of both parties are in line with the views I entertain.

JOHN K. SHIELDS.

Mr. SHIELDS. Mr. President, I announced my views concerning the foreign policies of the United States relating to international courts and conferences in an address I made in the