

The Outlook

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The House Acts and the Wets are Routed

WHATEVER the House of Representatives may do or leave undone later, the fact stands to its credit that it got down to business almost as if it had not recessed from summer to winter. The first of the big appropriation bills, that providing for expenditures in the Treasury Department and the Post Office Department, was passed almost as promptly as a town council could have appropriated a hundred dollars for the town clerk's quarterly salary. And this prompt action was achieved despite a bitter wet-dry row.

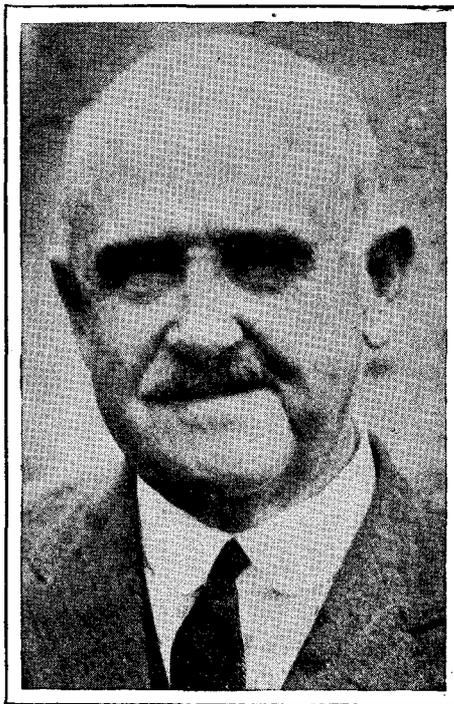
It was the item of \$30,000,000 for prohibition enforcement that the wets made their first point of attack. Though Cramton, of Michigan, and Gallivan, of Massachusetts, took part in the row, the bitterness was mainly between Hill, of Maryland, and Upshaw, of Georgia, one probably the most unreasoning wet and the other probably the most fanatical dry in Congress. Their manifestations of zeal will become private at the end of this session, the voters of Maryland and Georgia having decided to keep them at home for a while. The appropriation was made practically as planned.

The House also passed quite promptly the Judicial Salaries Bill, which brings to a successful conclusion the long fight made by the American Bar Association to secure more adequate salaries for all Federal judges. The bill passed the Senate at the last session, and will undoubtedly be signed by the President. All judges of Federal courts, from the Chief Justice of the Supreme Court of the United States down to the judges of district courts, will receive substantial increases in pay. Despite the length of time that was required to secure this legislation, there was no considerable opposition to it. Only thirty-nine Representatives voted against it.

The Quarrel Over the Surplus

PERHAPS the most notable achievement toward expediting business in the House was accomplished, not by the House itself, but by the Ways and

Means Committee. This Committee, by a vote of all Republican members, determined that there should be no effort at tax legislation at this session. All revenue bills were tabled, including the Administration tax credit measure and the Democratic Tax Reduction Bill.



(C) Keystone

William Brown McKinley
1856-1926

The Treasury surplus of approximately \$380,000,000 will be applied, automatically, to debt reduction; for, while it is possible that the Democratic organization may force the Tax Reduction Bill out of Committee, there is no likelihood of any further effort by the Administration to secure tax credit legislation. President Coolidge told Congress in his Message that, while he preferred the tax credit plan of disposing of the surplus, he left it to the discretion of Congress whether this or the debt reduction plan should be followed.

The Democratic members of the Ways and Means Committee opposed the motion to table tax measures because they want to get their tax reduction measure before the House. Both Representative Garner, of Texas, ranking Democratic member of the Committee, and Representative Garrett, of Tennessee, minority leader in the House, have said that all

parliamentary means will be used to outmaneuver the Republicans and bring the bill out of Committee. They assert that the condition of the Treasury amply justifies a further reduction of taxes now. The argument that there may be no surplus next year is contradicted, they say, by Secretary Mellon's statement in his annual report that the present strong tide of prosperity will not ebb.

Each side believes that there is more politics than finance in the position of the other. The Republicans are sure that the Democrats are pressing their tax reduction measure at this time purely in the hope of political advantage, while the Democrats believe that the Republicans oppose reducing taxes now solely because they want to be able to reduce them in 1927, "just before election," as Mr. Garner said.

Vare, Smith, and Gould

THE Senate's talk has been largely of "slush Senators." Circumstances have largely made the Senate's volubility at this time excusable. Perhaps the Senate of the Sixty-ninth Congress might not have left to the Senate of the Seventieth Congress the task of investigating the qualifications of its own members, even if no question had arisen which properly concerned the Senate as at present constituted. Such questions, however, have arisen, and some of them are extremely complex.

The question of improper methods in securing nomination or election or both no longer applies merely to Senator-elect Vare, of Pennsylvania, and Senator-elect Smith, of Illinois. It was raised as to Senator Gould, elected from Maine to fill out an unexpired term, and therefore a member of the present Congress, and, though somewhat irregularly, as to General L. D. Tyson, elected a Senator from Tennessee in 1924 and a member of the present Congress from the beginning. It was also raised in a new form as to Colonel Smith by the death on December 7 of Senator William B. McKinley and the supposed probability that Governor Small would appoint Colonel Smith to fill out the unexpired term.

For six years Mr. McKinley served in

Congress; was manager of President Taft's disastrous campaign for re-election in 1912, when he himself was defeated for Congress; then served for six years more in Congress (of which he was one of the richest members); and concluded his public career by his term in the Senate, for which he failed of re-nomination.

Almost as soon as the session opened Senator Walsh, of Montana, obtained the adoption of a resolution for an investigation of the methods by which Senator Gould secured his election. He obtained it without much opposition, and with the affirmative vote of Mr. Gould himself.

A little later Senator Dill, of Washington, introduced resolutions demanding that the credentials of William S. Vare and Frank L. Smith be refused during this session. Senator Dill admitted that the present membership of the Senate could not decide whether or not Mr. Vare and Colonel Smith should be seated. He admitted, further, that, so far as he knew, there was no precedent for his resolutions. But he said that the acceptance as valid by the present membership of the Senate of the credentials of Vare and Smith would constitute a dangerous precedent, and that Vare and Smith should be disqualified as Senators-elect "from exercising the privileges to which Senators-elect whose credentials are not so tainted are ordinarily entitled."

Smith and Tyson

SENATOR DILL'S resolutions to refuse credentials to Vare and Smith were introduced largely, it was generally believed, because of the probability that Smith would be appointed to fill out the unexpired term of the late Senator McKinley. While the question as to seating Smith as appointed to fill out an unexpired term would not be identical with that as to seating him as elected in consequence of a nomination secured by questionable methods, the feeling has been somewhat general that some advantage would accrue, not alone to Smith, but to Vare as well, by having Smith serve out the unexpired term of McKinley, and that the Dill move was largely for the purpose of stalling off such a possibility.

All of this made opportunity for Senatorial talk, some of it on the floor, much of it in the cloak-rooms and elsewhere. Meanwhile, the Democrats were considering contesting, not the nomination, but

the election of Mr. Vare in an effort to seat his Democratic opponent, W. B. Wilson. The plan was finally abandoned, but it occupied the attention of a number of Democratic Senators during the first week of the session.

Along with all of this came the charge that Senator Tyson, of Tennessee, spent \$1,800,000 to secure his nomination in 1924. The charge came mainly on the authority of John R. Neal, a lawyer and perennial candidate for Governor in Tennessee, who gained Nation-wide publicity as chief counsel for Scopes in the anti-evolution trial. General Tyson is a man of some wealth who, it has always been understood, defrayed his own campaign expenses. He is a West Point graduate who spent the early part of his life in the Regular Army, then engaged in manufacturing for some years, and re-entered the Army at the time of the World War, serving with the rank of Major-General. He was never suspected of having quite as much money as he is now charged with having spent to secure his nomination. Not much is likely to come of the charge, but it has added something to the Senate excitement.

Orthodox Insurgents

SENATOR FRAZIER, of North Dakota, the last left in the Senate of the four insurgents who were read out of the Republican Party two years ago, is again a Republican in good and regular standing, though the quality of his insurgency, to outward appearance, has not changed. The exigencies of Republican organization, on the other hand, have changed.

The Senate Committee on Committees has voted to restore Senator Frazier to his old standing as a Republican and to assign him to standing committees as such. He will resume his old place on the Indian Affairs Committee and will become its Chairman upon the retirement in March of Senator Harreld, of Oklahoma.

Of the four Senators who were read out of the party, two are dead, La Follette and Ladd. The fourth, Brookhart, of Iowa, was ousted from the Senate, but has since been nominated and elected as a Republican, and will return to the Senate in March. The fact that the Republicans of Iowa nominated and elected him as a Republican will probably operate to give him regular standing without the necessity for such action as was taken with regard to Senator Frazier.

Meanwhile, several important committee positions will have gone to Senators who, while they have never been expelled from the party, have been regarded as somewhat radical and irregular. Senator Norris, of Nebraska, is to become Chairman of the Judiciary Committee in place of the late Senator Cummins; and Senator McNary, of Oregon, one of the authors of the McNary-Haugen Bill, will become Chairman of the Committee on Agriculture. These assignments already have been approved by the Committee on Committees.

Mellon on Prosperity

How long prosperity will last is the most important question in the minds of even more citizens than the large portion who gain their livelihood directly from industry and commerce. Strangely, as it would seem, the continued existence of generally satisfactory business conditions causes the question to be asked with increasing solicitude, even when confidence is uppermost. But the present business generation has been thoroughly imbued with the knowledge that for every action comes a reaction.

Therefore the prediction in Secretary Mellon's annual report, that the country may expect "another satisfactory year," meets with hopeful incredulity on the part of business men who were surprised when prosperity did not begin to wane last summer, or even before.

Of course, the Secretary of the Treasury has his good reasons for the prediction; and it is not likely that they are political. Nineteen hundred and twenty-seven will probably be "satisfactory" without producing such a fabulously large National income as 1926. But against the premonition caused by a low point in business every seven years since 1907 on the graph of National prosperity, and despite unfavorable conditions or promise in cotton and agriculture and building, business analysts can find none of the warning signals that ordinarily precede consequential depression, and they can see no possibility of anything approaching panic conditions while the United States remains so abundantly supplied with gold.

That business shall prosper and lag, approximately with the fluctuation of a cycle, is inevitable while men's stability and judgment shall be less than infallible. But the momentum of America's prosperity—based on "the broadness of