Also, a bill (H. R. 11297) to correct the military record of Stephen T. Campbell—to the Committee on Military Affairs.

Also, a bill (H. R. 11298) granting the Court of Claims jurisdiction to hear and determine the claim of the widow, heirs, and personal representative of Thomas Page for Indian depredation—to the Committee on Claims.

Also, a bill (H. R. 11299) granting the Court of Claims jurisdiction to hear and determine the claim of the widow, heirs, and personal representative of Thomas Page for Indian depredation—to the Committee on Claims.

By Mr. THISTLEWOOD: A bill (H. R. 11300) granting an increase of pension to W. F. McKee—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11301) granting an increase of pension to James M. Bracken—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11302) granting an increase of pension to James Watson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11303) to remove the charge of desertion from the record of John Ballard—to the Committee on Military Affairs.

PETITIONS, ETC.

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

By Mr. AUSTIN: Petitions of Halls Cross Roads Council, No. 71, Junior Order United American Mechanics, for exclusion of all Asiatics save merchants, students, and travelers—to the Committee on Foreign Affairs.

Also, petitions of 18 merchants of Harriman, 13 of Clinton, 5 of Oliver Springs, 23 of Maryville, 18 of Norristown, 13 of Lafollette, and 8 of Jefferson City, all of the State of Tennessee, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. FULLER: Petition of the Florsheim Company and W. G. Brown, of La Salle, Ill., for free hides—to the Committee on Ways and Means.

Also, petition of Lake Region Waterways Association, for improvement of the Oklawaha River—to the Committee on Rivers and Harbors.

Also, petition of the Carded Woolen Manufacturers' Association, concerning tariff on wool and wool products—to the Committee on Ways and Means.

Also, petition of Gold Leaf Manufacturers' Association, favoring tariff on gold leaf—to the Committee on Ways and Means.

Also, petition of Park & Tilford, McKesson & Robbins, and F. R. Arnold & Co., against increase of duty on toilet soaps—to the Committee on Ways and Means.

Also, petition of H. A. Eversole, of Gardner, Ill., for free hides—to the Committee on Ways and Means.

Also, petition of Morris Gas Light Company, of Morris, Ill., for increased duty on gas mantles and for placing thorium nitrate on the free list—to the Committee on Ways and Means.

Also, petition of E. Woelfel, president of the Woelfel Leather Company, of Morris, Ill., against a duty on hides—to the Committee on Ways and Means.

Also, petition of Illinois Coal Operators' Association, for the countervailing duty on Mexican coal—to the Committee on Ways and Means.

Also, petition of merchants of Ottawa, Ill., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of Chicago Association of Commerce, against proposed 2 per cent tax on corporation net receipts—to the Committee on Ways and Means.

Also, petition of E. P. Lathrop, of Rockford, Ill., against corporation tax—to the Committee on Ways and Means.

Also, petition of Frank A. Dickson, acting adjutant-general of the State of Illinois, favoring bill S. 1691—to the Committee on Militia.

Also, paper to accompany bill for relief of George Hutson—to the Committee on Invalid Pensions.

By Mr. LAFEAN: Petition of citizens of York, Pa., for abrogation of extradition treaty with Russia—to the Committee on Foreign Affairs.

By Mr. MOON of Tennessee: Paper to accompany bill for relief of L. D. Cotten, M. D., of Sparta, Tenn.—to the Committee on Naval Affairs.

By Mr. OLDFIELD: Paper to accompany bill (H. R. 11137) for improvement of navigation of the White and Black rivers in Arkansas—to the Committee on Rivers and Harbors.

Also, paper to accompany bill (H. R. 11187) for relief of Harmon Varner—to the Committee on Invalid Pensions.

By Mr. YOUNG of Michigan: Petition of citizens of Point Mills, Mich., favoring placing hides on the free list—to the Committee on Ways and Means.

SENATE.

TUESDAY, *July 6, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

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

The VICE-PRESIDENT. The Journal stands approved.

PETITIONS AND MEMORIALS.

Mr. BURTON presented a memorial of sundry citizens of Cleveland, Ohio, indorsing the action of the United States Senate in protecting the lemon industry of the United States, which was ordered to lie on the table.

Mr. STEPHENSON presented a memorial of the American Society of Equity of Calumet County, Wis., remonstrating against a reduction of the present duty on oleomargarine, which was referred to the Committee on Agriculture and Forestry.

Mr. DICK presented memorials of sundry citizens of Toledo, Columbus, and Cleveland, all in the State of Ohio, indorsing the action of the United States Senate in protecting the lemon industry of the United States, which were ordered to lie on the table.

C. P. SCHENCK.

Mr. KEAN, from the Committee to Audit and Control the Contingent Expenses of the Senate, to whom was referred Senate resolution 64, submitted yesterday by Mr. CUMMINS, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Senate resolution 64.

Resolved, That the Secretary of the Senate be, and is hereby, authorized to pay to C. P. Schenck, out of the contingent fund of the Senate, the sum of $76 for services as messenger from March 4 to March 22, 1909, inclusive.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCOTT:

A bill (S. 2834) granting an increase of pension to Alexander Phillips (with accompanying paper); to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 2835) providing for the appointment of one additional assistant clerk and a financial clerk of the municipal court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. FRYE:

A bill (S. 2836) granting a pension to Margaret Rice Sanford (with accompanying paper); to the Committee on Pensions.

By Mr. GUGGENHEIM:

A bill (S. 2837) granting an increase of pension to Alice T. Smith (with accompanying papers); to the Committee on Pensions.

By Mr. STEPHENSON:

A bill (S. 2838) granting an increase of pension to Frederick Heinemann; and

A bill (S. 2839) granting an increase of pension to Henry Connor (with accompanying papers); to the Committee on Pensions.

By Mr. DU PONT:

A bill (S. 2840) granting a pension to Elizabeth C. Jones;

A bill (S. 2841) granting a pension to John J. Quinnt (with accompanying paper); and

A bill (S. 2842) granting a pension to Lewis Bullock (with accompanying paper); to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL.

Mr. BURTON submitted an amendment intended to be proposed by him to paragraph 526 of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

EMILY PERKINS HALE.

Mr. LODGE submitted the following resolution (S. Res. 66), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Senate resolution 66.

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay to Emily Perkins Hale, widow of Rev. Edward Everett Hale, late Chaplain of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his demise, said sum to be considered as including funeral expenses and all other allowances.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. BRISTOW. 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:

Aldrich	Clark, Wyo.	Gamble	Penrose
Beveridge	Crane	Guggenheim	Perkins
Bradley	Crawford	Hale	Scott
Briggs	Cullom	Jones	Smith, S. C.
Bristow	Cummins	Kean	Smoot
Brown	Daniel	La Follette	Stephenson
Burkett	Davis	McEnery	Stone
Burnham	Dick	McLaurin	Sutherland
Burrows	Dillingham	Martin	Taylor
Burton	Flint	Nelson	Wetmore
Carter	Frazier	Oliver	
Chamberlain	Frye	Overman	
Clapp	Gallinger	Page	

The VICE-PRESIDENT. Forty-nine Senators have answered to the roll call. A quorum of the Senate is present. The bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. HALE. I was not in the Senate yesterday when the provisions of section 8 of the bill were reported, and I wish to offer an amendment to that amendment.

The VICE-PRESIDENT. Does the Senator mean section 8 of the amendment of the Senator from Rhode Island?

Mr. HALE. Yes; in line 25.

The VICE-PRESIDENT. That amendment has been agreed to. Without objection, it will be reconsidered for the purpose of receiving the amendment offered by the Senator from Maine. The Chair hears no objection.

Mr. HALE. It relates to the St. John River.

The VICE-PRESIDENT. The amendment was agreed to yesterday.

Mr. HALE. Yes; I ask that it be reconsidered.

The VICE-PRESIDENT. That has already been done for the purpose of offering a further amendment.

Mr. HALE. To perfect the section, after the word "continue," in line 25, I move to insert "for two years from the date of the passage of this act."

The Secretary read the amendment.

Mr. BRISTOW. I can not hear the amendment from the reading, nor am I able to hear anything that is said about it.

The VICE-PRESIDENT. The amendment offered is an amendment to the amendment of the Senator from Rhode Island relating to the St. John River in Maine, which was agreed to last evening.

Mr. HALE. This is perfecting the amendment.

Mr. BRISTOW. What is the page and line?

The VICE-PRESIDENT. The Senator will not find it in the amendment he has before him, because it is an amendment to that amendment, which was agreed to last evening. On page 4138 of to-day's RECORD the Senator from Kansas will find it.

Mr. NELSON. It does not refer to the Rainy River, Minnesota, paragraph?

Mr. HALE. It is an addition to the St. John River act and the St. Croix River act. It is simply perfecting the amendment, which, if I had been present, I would have asked to have done yesterday.

The VICE-PRESIDENT. The amendment will be stated by the Secretary.

The SECRETARY. In line 25, on page 8, after the word "continue," insert "for two years from the date of the passage of this act," so as to read:

SEC. 8. That the produce of the forests of the State of Maine upon the St. John River and its tributaries, owned by American citizens, and sawed or hewed in the Province of New Brunswick by American citizens, the same being otherwise unmanufactured in whole or in part, which is now admitted into the ports of the United States free of duty, shall continue for two years from the date of the passage of this act to be so admitted, under such regulations as the Secretary of the Treasury shall from time to time prescribe.

Mr. BACON. If I understand correctly, the same change is made in that case as in the Minnesota case. It relates only to timber that is cut in the State of Maine.

Mr. HALE. It relates only to lumber cut in the State of Maine. We have not reached the Rainy River amendment. That, I may say, is in charge of the Senator from Minnesota.

Mr. NELSON. The Rainy River provision relates simply to a stream on the boundary line between Canada and Minnesota.

Mr. BACON. It relates only to timber cut in the State of Minnesota?

Mr. NELSON. That is all.

The VICE-PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Maine.

Mr. CLARK of Wyoming. I understand that it refers to logs from Maine manufactured in the Province of New Brunswick.

Mr. HALE. Under old conditions the only possible way of getting out the product on the St. John River and tributaries was to send the lumber down the St. John River to be manufactured there, and it is brought in free of duty. That provision has been in every tariff act for twenty years. The committee has inserted the old provision, and being absent I was not able to look after it on yesterday. This clause is put in in order to give control to the conference as to the time the act shall continue.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Maine.

The amendment was agreed to.

Mr. HALE. Now, in the next clause, which is another Maine river, with the same condition, after the word "admitted" I move to insert "for two years after the date of the passage of this act," so as to read, "shall be admitted for two years after the date of the passage of this act into the ports of the United States," and so forth. That relates to St. Croix River and its tributaries.

The VICE-PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Maine.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the section as amended will be again agreed to.

Mr. BEVERIDGE. Mr. President, yesterday afternoon, when the drawback provisions were being considered——

Mr. BURKETT. Will the Senator from Indiana yield to me?

Mr. BEVERIDGE. Certainly.

Mr. BURKETT. I have now the amendment to offer after we have had some conversation and consideration with reference to fraternal beneficiary societies. The committee have considered it, and I now offer it, if the Senator from Indiana will permit me, to follow the first paragraph of the corporation-tax amendment.

Mr. BEVERIDGE. I yield for that purpose.

The VICE-PRESIDENT. Is there objection to reconsidering that amendment for the purpose of offering this amendment to it? The Chair hears none. The amendment proposed by the Senator from Nebraska will be stated.

The SECRETARY. In line 14, page 2, of the committee amendment strike out the period and insert a colon and the following words:

Provided, however, That nothing in this section contained shall apply to fraternal beneficiary societies, orders, or associations operating under the lodge system and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations, and dependents of such members, nor to building and loan associations.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Nebraska.

Mr. BACON. Mr. President, I do not think that amendment goes near far enough. I did not know the Senator was going to bring it up to-day. I introduced an amendment two or three days ago that covers that ground fully, and much more fully than this amendment does, and also other organizations, including all benevolent, charitable, educational institutions, all mutual associations for mutual benefit, where there was no stock and where the proceeds were devoted to the benefit and assistance of the members, and also endeavoring to guard against the inclusion in the corporation tax of small mercantile establishments. I have not time to look up the amendment now. I supposed from the opposition of the Senator from Rhode Island that that matter was disposed of until we got into the Senate, when he said it was the purpose of the committee to present something upon that line.

Mr. ALDRICH. The committee have agreed to this proposition. I thought the amendment of the Senator from Georgia went too far.

Mr. BACON. I should like very much while we are on this to act upon the other proposition.

Mr. BURKETT. I will say to the Senator from Georgia that this includes every possible kind of fraternal beneficiary society. The additional provision of the Senator from Georgia relates to organizations without profit—educational and char-

itable institutions—but it is thought, as the first lines of the provision substantially provide that it shall pertain to corporations, joint stock companies, or associations organized for profit, it would simply be a duplication of the same words, only putting it the other way, one being negative and the other affirmative. Aside from that, this includes all the Senator had in his amendment, as I understand, but the first.

Mr. BACON. I ask if the Senator's amendment has been printed?

Mr. BURKETT. Yes; it has been printed.

Mr. BACON. I should like to have a copy of it, please.

Mr. CRAWFORD. Mr. President——

Mr. BACON. I hope the Senator will pardon me for a moment.

Mr. LA FOLLETTE. I wish to make an inquiry of the Senator from Nebraska. Is the amendment which the Senator from Nebraska has just offered the same as he presented on July 2, which appears on page 4063 of the CONGRESSIONAL RECORD.

Mr. BURKETT. I will say that this draft which I offer was the one I introduced two or three days before that. On the 2d of July I introduced another one, and it had in the fifth line the words "including labor organizations." It was thought by the committee and those who looked over it that there would not be any question but that the term "fraternal beneficiary societies, orders, and associations operating under the lodge system" would include that, and it was thought best not to name any particular fraternal organization or labor organization or anything, but to include them under the term "beneficiary organizations."

I will say also to the Senator that to that were added, to the amendment as I introduced it, the words "nor to building and loan associations."

Mr. LA FOLLETTE. I will state, if the Senator from Georgia will pardon me, that in the opinion of the representatives of those organizations who have given a good deal of consideration to this matter the language incorporated in the amendment, as offered on the 2d of July, is very much safer, and it ought to be included in this amendment. I hope the Senator——

Mr. BACON. I yielded to allow the Senator to ask a question, and I hope I may proceed.

Mr. LA FOLLETTE. I beg the Senator's pardon.

Mr. BACON. I had the floor.

Mr. BURKETT. May I reply to the Senator from Wisconsin?

Mr. BACON. I think it is better to take things in their order. Each Senator, of course, has something he desires to say, and I desire to say what I wish to submit before anybody else is heard.

The VICE-PRESIDENT. The Senator from Georgia has the floor.

Mr. BACON. I hope I may have the attention of the committee, because this is a matter in which there is no division on any political lines, and I am sure the committee will not desire to work a hardship upon organizations which ought not to be subjected to this tax. This is an extremely important matter. There is nothing partisan or political in it. It is something which must address itself to the judgment and consideration of every Senator, because it affects all classes of people throughout the whole United States, of every section.

I do not think that the amendment offered by the Senator from Nebraska goes far enough in some particulars, and I think it goes a great deal too far in one particular. I will call the attention of the Senate to it, and I am sure what I state must be recognized in this matter.

There is a general provision in the amendment that the law shall not apply to building and loan associations. That does not limit it to mutual building and loan associations, but to any organization which may denominate itself as a building and loan association and which may go into the business of a building and loan association. There are building and loan associations which are not altogether mutual establishments. There are building and loan associations which are organizations very largely for profit. We have had some tremendous scandals in this country growing out of the abuse by building and loan associations of the opportunity to make personal profit. So, while I am in favor of mutual building and loan associations being excepted, I am not in favor of a general provision which would except all building and loan associations.

I will state to the Senate that while in the earlier days the building and loan associations were mutual, some fifteen or twenty years ago there sprang up throughout the United States a class of building and loan associations which finally got into the courts and created a greater scandal than any other corporate enterprise I know of anywhere, absolutely wrecking all those who had put their money in them and a few men walking off with bags full of profits.

Mr. ALDRICH. Has the Senator a copy of his own amendment there?

Mr. BACON. I have.

Mr. ALDRICH. I wish he would read it, or have it read.

Mr. BACON. I will read it, and I will repeat what I said when I offered the amendment before. I recognize it was offered under disadvantageous circumstances, and I am glad to have the opportunity again to present it to the Senate. It is broken up into four or five different paragraphs in order that the Senate might, if it saw proper, reject one part or the other, and in order that it might not reject the whole by reason of any particular part. I will read the whole of it. It is put in as a proviso at the conclusion of section 4:

Provided, That the provisions of this section shall not apply to any corporation or association organized and operated for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose: *Provided further*, That the provisions of this section shall not apply to incorporations or associations of fraternal orders or organizations designed and operated exclusively for mutual benefit or for the mutual assistance of its members: *Provided further*, That the provisions of this section shall not apply to any insurance or other corporation or association organized and operated exclusively for the mutual benefit of its members in which there are no joint-stock shares entitled to dividends or individual profit to the holders thereof——

Mr. ALDRICH. That would not do, because it would open up——

Mr. BACON. Let me read it through, and then we will take it up separately:

Provided further, That the provisions of this section shall not apply to any corporation or association designed and operated solely for mercantile business the gross sales of which do not exceed $250,000 per annum.

Mr. ALDRICH. That will not do.

Mr. BACON. I recognized the fact that there are different degrees of merit in these various propositions and that some would meet with opposition and others might not. For that reason I said I had cut it into four different, distinct ones. The first two, it seems to me, are beyond question matters that ought to be eliminated from the law.

Mr. ALDRICH. I do not see any objection to the first two.

Mr. BACON. Very well; I think an examination of the amendment offered by the Senator from Nebraska, as compared with the first two provisions I have just read, will certainly more completely set up——

Mr. CLARK of Wyoming. Mr. President——

The VICE-PRESIDENT. Will the Senator from Georgia yield to the Senator from Wyoming?

Mr. BACON. With pleasure.

Mr. CLARK of Wyoming. I want to ask the Senator who has presented this matter whether the first provision would or would not apply to corporations such as the Trinity Church corporation of New York City.

Mr. BACON. I do not know what the provisions of that corporation are, but I will state to the Senator——

Mr. CLARK of Wyoming. The Trinity Church corporation of New York City is a very large and powerful corporation, and a very profitable corporation; but I do not understand that any of its profits are divided, nor do I understand that it has any stockholders.

Mr. BACON. "Trinity?" I did not catch the Senator's term until he began to describe it. I thought he said "primitive."

Mr. CLARK of Wyoming. I refer to the Trinity Church corporation of New York City. It occurs to me a corporation of that sort, which is taking in hundreds, thousands, and millions of dollars every year as rents and profits and gains, ought not to be excepted from a bill of this sort.

Mr. FLINT. Mr. President——

Mr. BACON. I yield to the Senator from California, who desires to say something in this connection.

Mr. FLINT. I wish to call the attention of the Senate to the fact that the bill is limited to corporations organized for profit, and it certainly can not be held that the Trinity Church corporation is a corporation organized for profit.

Mr. CLARK of Wyoming. That is very different from the statement the committee made to us a few days ago.

Mr. FLINT. I think not.

Mr. CLARK of Wyoming. It is a very different statement from what the bill itself makes, because the bill itself speaks of certain corporations not organized for profit that shall be under the tax.

Mr. ALDRICH and Mr. FLINT. Only insurance companies.

Mr. CLARK of Wyoming. I do not understand that the Trinity Church corporation was organized for profit. I do understand, however, that it has grown by virtue of its holdings into an organization which reaps very great profits in the city of New York.

Mr. KEAN. All its money is spent in religious and charitable work.

Mr. DEPEW. Mr. President——

The VICE-PRESIDENT. To whom does the Senator from Georgia yield?

Mr. BACON. I yield to the Senator from Wyoming to ask a question, but I do not yield the floor for general debate on the subject. I desire to present some views.

Mr. CLARK of Wyoming. I am asking for concrete information upon a point in the Senator's amendment, first calling his attention to my judgment that the Trinity Church corporation in New York, and perhaps others of that sort, would fall under the first provision. Second, I want to direct his attention to the third provision of his amendment.

Mr. BACON. I hope the Senator will not take up the third now. Let us take up one at a time. We are on the first two now, which relate to a different subject-matter.

Mr. DEPEW. Mr. President——

Mr. BACON. I can not answer two questions at once.

Mr. CLARK of Wyoming. If the Senator does not care to discuss the whole amendment at the same time I simply wanted to gain a little information; and I will defer asking in regard to the third until later.

Mr. DEPEW. Mr. President——

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

Mr. BACON. I yield.

Mr. DEPEW. I wish to make a very brief explanation in regard to Trinity Church. It is not organized for profit, nor in the usual acceptance of the meaning of that word does it receive any profits. It had a grant of land in the colonial period, which in the growth of New York has given it a valuable property that has a large earning power, but no one doubts or disputes but what that property is administered with honesty and with ability, and every dollar of the income is devoted to charitable, religious, and educational purposes. There is not a single penny that goes to any individual in the way of profit or distribution of dividends.

Mr. HALE and Mr. CLARK of Wyoming addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Georgia yield?

Mr. BACON. I yield to the Senator from Maine.

Mr. HALE. Let me ask the Senator from New York a question. I was waiting for his statement with reference to this Trinity corporation. I understand that it has never ceased to be a religious and benevolent association.

Mr. DEPEW. It is wholly that.

Mr. HALE. It is not doing business for profit, but all of the avails of its business and its real estate belonging to the church association are distributed for benevolent purposes.

Now, does the Senator from New York—this being a matter under his eye—know the extent of its income? It has been intimated that it is vast. Does the Senator know anything about the extent of the income that this religious association has which it distributes in this way?

Mr. DEPEW. I could not name the exact figures. It is several hundred thousand dollars a year.

Mr. KEAN. Mr. President, I will say to the Senator from Maine that the amount of money received by the Trinity corporation has been grossly exaggerated in the newspapers. If I had the last report of the Trinity corporation, which is at my house here, I could give the Senator the exact figure, but I have it not here. I think it is something under a million dollars.

Mr. HALE. Does the Senator mean a million dollars yearly?

Mr. KEAN. A million dollars yearly, I think it is.

Mr. ROOT. Mr. President——

Mr. KEAN. It is all spent in support of religious and educational work.

Mr. HALE. I did not suppose it was so much as a million dollars.

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

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

Mr. ROOT. Mr. President, I think that since this particular religious organization is under discussion, it ought to be said that as its revenues have increased by the increase in value of the real estate originally granted to it, it has erected new churches, so that when we speak of it as the Trinity Church corporation its revenues are applied to the maintenance of quite a considerable number of different churches, practically different parishes and different church organizations. It is not a mere case of a church growing rich and retaining its increased revenues, but of a church doing the proper work of a church, and as its revenues have increased going on into new fields and building new churches and chapels, and extending the work proportionately to its revenue.

Mr. CLARK of Wyoming and Mr. CRAWFORD addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Georgia yield?

Mr. BACON. I yield to the Senator from Wyoming.

Mr. CLARK of Wyoming. Of course I had no desire in any way to reflect upon the management of the Trinity Church corporation, but from what I have learned, not only through the newspapers, but through the current magazines of the last two years, I have formed an idea that the Trinity Church corporation was engaged in other than religious work in the city of New York. Indeed, I have formed the idea that it was one of the greatest landlords in the city of New York, and that its tenements were not always conducted in a way that any landlord, let alone a church corporation, ought to conduct its tenements.

I have been further informed by the magazines that the net revenue of this corporation runs into the millions of dollars annually. It has occurred to me that a church corporation, even, ought not to be allowed to engage in the ordinary business of other corporations——

Mr. BACON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield further?

Mr. BACON. I have not yielded to the Senator for a general speech.

The VICE-PRESIDENT. The Senator from Georgia prefers not to yield further.

Mr. BACON. What the Senator says is entirely proper, but——

Mr. CLARK of Wyoming. I hope the Senator will not put me in the attitude of attacking this corporation without giving me an opportunity to make my statement.

Mr. BACON. Certainly not. I hope the Senator will proceed.

Mr. CLARK of Wyoming. It had occurred to me that any corporation, religious or otherwise, that is engaged in the general business of leasing or renting property could well afford to bring itself within the provisions of an act of this sort. My inquiry of the Senator was whether he thought corporations of this sort were excluded by virtue of his amendment.

Mr. DEPEW. Mr. President——

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

Mr. BACON. I do.

Mr. DEPEW. I should like to ask the Senator from Wyoming whether——

Mr. BACON. I hope the Senator will let me interrupt him to say that I will not yield further after I yield to the Senator from New York.

Mr. DEPEW. I wish to ask the Senator from Wyoming whether, in view of the many wild, extravagant statements which are made in the magazines as one subject after another or one man after another is taken up, he accepts those statements as actually true?

Mr. CLARK of Wyoming. No; but they simply put me on my guard to make an inquiry, and that inquiry I have made of the author of the amendment.

Mr. BACON. Mr. President, there are several aspects as to which consideration may be had in regard to the matter of taxing benevolent and religious institutions. There is a wide difference of opinion among people as to whether such organizations should be taxed at all or whether they should be taxed on profits. I do not propose to go into that question at all. It is not necessary to go into it, because this is not a general tax act. This is a provision by which a certain class of property is singled out for taxation, and it is one, as we are making a distinction, where we can very properly make a distinction in favor of religious, benevolent, and charitable institutions, without going into the general question whether they should be subject to taxation or not.

It occurred to me that in this partial levy of tax, where we are seeking to reach a certain class of wealth, we very properly except those institutions and those enterprises which have no element of personal gain in them whatever, and which are devoted exclusively to the relief of suffering, to the alleviation of our people, and to all things which commend themselves to every charitable and just impulse.

In regard to the particular corporation of which the honorable Senator from Wyoming [Mr. CLARK] has made mention, I want to say that if it be true that there are features in the business of that corporation which are not strictly religious, educational, or benevolent, they would not be screened by this amendment; and if they are all of them religious, benevolent, and educational, the fact of their magnitude would not, in my opinion, be any reason why we should exclude them from the beneficial provisions of this amendment.

I will say to the Senator from Wyoming and to the Senate—and I hope I may have the attention of the Senator from Wyoming now particularly—that the corporation which I had particularly in mind as an illustration at the time I drew this amendment is the Methodist Book Concern, which has its headquarters in Nashville, which is a very large printing establishment, and in which there must necessarily be profit made, and there is a profit made exclusively for religious, benevolent, charitable, and educational purposes, in which no man receives a scintilla of individual profit. Of course if that were the only one, it might not be a matter that you would say we would be justified in changing these provisions of law to meet a particular case, but there are in greater or less degree such institutions scattered all over this country. If Senators will mark the words, the amendment is very carefully guarded, so as not to include any institution where there is any individual profit, and further than that, where any of the funds are devoted to any purpose other than those which are religious, benevolent, charitable, and educational. So, it seems to me it is doubly guarded. It is guarded so as not to include in the exemption any corporation which has joint stock or in which any individual can receive a dividend for his personal use, and it is further guarded so as not to include any corporation which assesses any part of its revenue for any purpose other than those which are mentioned—religious, benevolent, charitable, and educational.

Mr. FLINT. Mr. President——

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

Mr. BACON. With pleasure.

Mr. FLINT. I desire to ask the Senator from Georgia whether or not, in his opinion, we have not exempted them by the words "corporation, joint-stock company, or association organized for profit?"

Mr. BACON. I think not, Mr. President. I gave the illustration of the Methodist Book Concern for that reason. It is organized for profit, but it is not organized for individual profit. It is organized to make a profit to extend religious work and to extend benevolent work, charitable work, and educational work. It is organized for profit, and does make a profit. That is the very reason why I think the words of the amendment with reference to a corporation tax are not sufficient.

Mr. HALE. Will not the Senator from Georgia read the first clause of his amendment?

Mr. BACON. I will, with pleasure. It is as follows:

Provided, That the provisions of this section shall not apply to any corporation or association organized and operated for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

There is but one word that I can suggest to make that stronger, which I am willing to incorporate, and that is after the word "operated" to insert the word "exclusively," so that it will read in this way:

Provided, That the provisions of this section shall not apply to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

It seems to me that would make it as complete as it is possible to do.

Mr. HALE. I do not see how the Senator from Georgia, with what he has in view, can use language more complete as to what it embraces or more complete as to what it excludes. It seems to me he has got it in very complete form.

Mr. BACON. Would the Senator from Maine agree with me as to the insertion of the word "exclusively?"

Mr. HALE. Yes; I think that helps it.

Mr. BACON. That will make it much more emphatic.

Mr. President, shall I pass from that to the next amendment? In order that we may act upon these various propositions, if the Senator from Nebraska [Mr. BURKETT] will permit me to have this acted upon rather than the amendment suggested by him, I would ask for the adoption of my first amendment. Will the Senator from Nebraska agree to that?

Mr. BURKETT. I did not understand the request of the Senator from Georgia.

Mr. BACON. I asked if the Senator from Nebraska would consent that the amendment offered by me might be considered instead of the one presented by himself?

Mr. BURKETT. Well, I have no objection. I will say that I think perhaps the first two sections of the Senator's amendment could be very properly added to mine. I have no objection to their being adopted as an amendment. They might just as well be inserted as an additional provision.

Mr. BACON. I do not think they could be properly added.

The VICE-PRESIDENT. The Senator from Georgia may offer his amendment as a substitute for the amendment offered by the Senator from Nebraska, and then it will be subject to amendment.

Mr. BURKETT. The amendment of the Senator from Georgia might be added to my amendment, but it is not exactly a substitute for mine.

Mr. BACON. I do not care anything about that. It is a small matter. So that the language is adopted, I care not in what shape it gets before the Senate. The only objection to offering it as a substitute is that there are four different provisions of the amendment, some of which will meet with the approval of the Senate and others of which may not; so that to offer it as a substitute might perhaps result in some little embarrassment. I will offer the first two provisos of the amendment as a substitute, and then I will offer the other two as an amendment to that, after the substitute has been adopted.

Mr. BURKETT. I hope the Senator will not offer them as a substitute, for they are not a substitute for my amendment. I have no objection to the Senator offering them as an amendment, but I hope he will not offer them as a substitute, so as to displace my amendment. I think, perhaps, his amendment ought to be added to mine. To put his amendment in and have it adopted as a substitute would exclude one or the other; and when we are voting for my amendment we are excluding his, or if we vote for his, we exclude mine. I think they, perhaps, ought both to go in.

Mr. BACON. I do not think they both ought to go in, Mr. President.

Mr. HALE. Let me suggest to the Senator from Nebraska that he withhold his amendment, as the proposition of the Senator from Georgia is entirely distinct and by itself, and does not interfere with the amendment of the Senator from Nebraska. I suggest that the Senator from Nebraska withhold his amendment for a moment, and let the Senate adopt two provisions of the proposition of the Senator from Georgia. I only make that suggestion.

Mr. BEVERIDGE. And then, after that, adopt the amendment of the Senator from Nebraska.

Mr. HALE. After that adopt the amendment of the Senator from Nebraska.

Mr. BURKETT. I will say that I have no objection to that, except that my amendment is before the Senate. I do not know what difference it makes as to which one shall be first adopted. I have no objection to the amendment of the Senator from Georgia. I think it is very proper and ought to be adopted; but my amendment is before the Senate. The committee have reported my amendment at this time.

Mr. BEVERIDGE. Why would it not be satisfactory, in view of that, to reverse the suggestion of the Senator from Maine [Mr. HALE] and let the Senate first adopt the amendment of the Senator from Nebraska, which really has, in view of its acceptance by the Committee on Finance, the right of way, and then adopt the amendment of the Senator from Georgia? Would not that be acceptable?

Mr. HALE. I see no objection to that.

Mr. BEVERIDGE. It seems fair.

Mr. HALE. I think the first two propositions of the Senator from Georgia [Mr. BACON] are good and ought to be adopted.

Mr. BACON. Very well. I will ask the Senator from Nebraska to strike out what he has in his amendment in relation to building and loan associations, for the reasons which I have mentioned. The general term "building and loan associations" will not do and it is entirely covered by the second proviso of my amendment, which is:

Provided further, That the provisions of this section shall not apply to incorporations or associations of fraternal orders or organizations designed and operated exclusively for mutual benefit or for the mutual assistance of its members.

Which does not cover building and loan associations. We ought to take that matter up separately.

Mr. FLINT. Mr. President——

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

Mr. BACON. I do.

Mr. FLINT. Mr. President, the first proviso in the amendment proposed by the Senator from Georgia [Mr. BACON] is not included in the amendment offered by the Senator from Nebraska [Mr. BURKETT].

Mr. BACON. No.

Mr. FLINT. The second proviso in the amendment offered by the Senator from Georgia is not as broad as the amendment offered by the Senator from Nebraska and, in my opinion, does not include certain organizations which should be included. The amendment of the Senator from Georgia limits it to fraternal orders or organizations designed and operated exclusively for mutual benefit or for the mutual assistance of their members. There may be some question as to whether that would include certain organizations which it is the desire of the committee to include.

Mr. BACON. Mr. President, I think the Senator from California is correct in that. I make the suggestion to the Senator from Nebraska that he perfect his amendment. In the last sentence occur the words "nor to building or loan associations." Let us take that up afterwards for perfection. Then I will offer the first proviso of my amendment as an amendment to that of the Senator from Nebraska.

Mr. BURKETT. Mr. President, I will say that my amendment was offered, and it is in the form this morning that the Committee on Finance reported it. So I should hesitate to withdraw the amendment without the consent of the committee, they having reported it. The Senator from Georgia, I will say to the Senator from California [Mr. FLINT], asked to have building and loan associations stricken out, inasmuch as his amendment included them.

Mr. BACON. If the Senator will pardon me a minute, I wish to say that I am not opposed to building and loan associations of a certain kind being exempted, those which are entirely mutual. I say that this language will not do, for the reason that I have personal knowledge of the fact that there are most tremendous organizations in this country under the name of building and loan associations which are not for mutual benefit. I would suggest that if the words covering building and loan associations are stricken from the amendment, we can take up that question in a later amendment and perfect it; but as it stands it would not do.

Mr. FLINT. Mr. President——

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

Mr. BACON. I do.

Mr. FLINT. I think the criticism of the Senator from Georgia is well made and that the language is too broad.

Mr. BACON. There is so much conversation in the Chamber that I can not hear what the Senator says.

Mr. FLINT. I stated that, in my opinion, the criticism of the Senator from Georgia is well made, and that the words "building and loan associations" are too broad. They might include the various associations to which the Senator has referred, which is not the desire nor the intention of the committee. If the Senator from Nebraska will strike out the provision in reference to building and loan associations, as suggested by the Senator from Georgia, I believe the matter may be provided for either in the second proviso or in another proviso.

Mr. DICK. Mr. President——

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

Mr. BACON. I do.

Mr. DICK. May I make this suggestion to the Senator from Georgia and the Senator from Nebraska, that building and loan associations be named in the amendment? I have no objection to inserting the words "cooperative or mutual benefit," or other qualifying words.

Mr. BACON. I am perfectly willing for them to be named.

Mr. DICK. I have no objection that these terms should be inserted; but I do think that building and loan associations should be named.

Mr. BACON. I agree with the Senator. The suggestion I make now is that we dispose of the other features, and then take up the building and loan association feature by itself. Then we can perfect it, and put it in such form as to make it agreeable to all parties.

Mr. DICK. I have no objection to that; but I desire to say that these "building and loan associations," so called in all States except Massachusetts and Louisiana, where they are called "cooperative banks" in Massachusetts and "homestead associations" in Louisiana, are of great public benefit. Their official motto is: "The American home the safeguard of American liberties." They are incorporated with capital stock, none of which is paid in as a condition precedent, but in most States are authorized to begin business when a certain per cent is subscribed; for instance, in Ohio the requirement is 10 per cent.

This stock so subscribed for and afterwards paid in is not permanent stock as in the ordinary corporation, but may be withdrawn by the owner and the stock so canceled may be reissued by the company. These certificates are issued and treated precisely as are certificates of deposit by banks.

Stock may be subscribed for at regular intervals, every six months in some companies and at any time in others, depending upon whether the plan of operation is what is known as the "serial" or "permanent" plan. Almost all Ohio associations are run on the permanent plan, while almost all the Pennsylvania companies are run on the serial plan.

Practically all the States either limit the number of shares a single individual can hold in his own name, or limit the voting power, as in Ohio, to 20 shares in the hands of one person.

No restriction as to the number or the size of the corporations exists in any of the States except Massachusetts, where they are limited to a certain amount of assets as a maximum and possibly a restriction as to the number in any community.

In serial associations, the net earnings are divided when the dues—money paid in plus the net earnings—equals the par value of the stock subscribed.

In permanent associations, the division of earnings is semi-annually made.

In States where permanent associations exist, the States require the creation of a fund for the payment of contingent losses and can not be used for any other purpose.

Practically all the States where these corporations have any strength at all have state inspection departments, and the excesses practiced by some in the past have been eliminated.

The odium of the past attaching to these associations was almost entirely caused by so-called "national associations," who, under the good name and reputation of local companies, got a foothold long enough to fleece a great many unwary and trusting people.

The opposition of the local or domestic companies, together with rigid state regulation, has now wiped out the nationals entirely in the Eastern and Central States.

Home building is the great work of these associations, not literally building themselves, but lending the money and encouraging the wage-earner to build.

It was recently said in the Senate Chamber that conditions had become such that only the thing visible to the assessor was taxed these days. The building associations are the direct means of creating visible things; they only loan on real estate, and mainly for the purpose of building homes.

The number of associations in the country to-day is 5,424, with assets of over $731,508,446 and a membership of over 1,839,119, whose savings average about $400 each.

Pennsylvania leads in associations, having 1,400, with assets of $146,915,600 and a membership of 374,950. Ohio follows next with more than 600, with assets of nearly $133,000,000 and a membership of more than 300,000.

The local building and loan associations of the United States are in excellent condition. That they manifestly enjoy a full measure of public confidence as a means of caring for small savings, and that they are a popular American institution, is amply shown by the large gains in membership and assets which they have again made during the past year. They have increased, approximately, $58,000,000 in assets in 1907, so that they now care for $731,500,000 of the people's savings. The members of these associations are largely wage-earners—persons with small incomes—but they have been economical and thrifty and have, in the aggregate, accumulated a vast sum which has been mainly loaned to its members for the purpose of assisting them in securing their own homes. That these associations have been doing much good and that they have been extending the sphere of their usefulness is apparent from the figures.

The great strength of the building associations is in their purely mutual and cooperative character, their simplicity of management, and in the prudence and care with which their affairs are administered. They have been an important aid in promoting industry, frugality, home building and home owning, and saving, and have added much to the material prosperity of our people. Those who have watched their growth have been gratified over the financial strength which they have developed in recent years, and which, it is believed, augurs much for them in the future.

The following statistical table shows by States the number of associations, total membership, and total assets for such

States as have a building and loan department which compile statistics. The data for all other States are given consolidated under the heading "Other States" and the figures are estimated:

1907–1908.

States.	Number of associations.	Total membership.	Total assets.	Increase in assets.	Increase in membership.
Pennsylvania	1,400	374,950	$146,915,600	$9,274,998	28,575
Ohio	644	321,780	132,714,147	11,619,930	10,945
New Jersey	415	143,886	67,802,407	5,814,215	12,668
Illinois	502	100,680	50,074,144	4,051,762	7,055
Massachusetts	135	114,705	47,220,074	4,662,499	10,223
New York	240	107,450	37,633,163	2,378,373	2,016
Indiana	334	117,974	34,040,117	1,838,864	20,446
California	110	33,565	19,522,896	293,958	[a]2,615
Michigan	55	39,958	14,157,529	1,125,847	4,000
Nebraska	66	39,898	11,422,890	2,461,102	8,109
Louisiana	50	25,437	10,328,307	1,323,347	2,057
Missouri	118	20,625	8,839,903	652,958	1,525
North Carolina	81	21,469	5,355,536	1,009,294	4,564
Kansas	48	16,343	5,118,842	555,914	1,810
Iowa [b]	56	15,950	4,577,214	----------	--------
Wisconsin	52	12,200	4,490,486	319,009	1,005
West Virginia	39	10,495	3,834,544	434,094	1,195
Maine	35	9,345	3,076,453	241,727	379
Tennessee	15	4,658	2,590,204	660,706	1,738
New Hampshire	16	7,110	1,915,187	78,853	1,635
Connecticut	13	2,731	1,804,857	199,145	[a]600
Minnesota [b]	18	3,085	1,433,990	----------	--------
North Dakota	7	2,200	1,286,681	295,378	500
Other States	975	292,625	114,753,275	9,087,275	22,175
Total	5,424	1,839,119	731,508,446	58,379,248	139,405

[a] Decrease.
[b] Figures for 1907 not being available, data for 1906 are used.

The receipts and disbursements for the year 1907 show an increased volume of business transacted aggregating nearly $25,000,000. In detail the receipts and disbursements for last year were as follows:

Receipts and disbursements for 1907.

RECEIPTS, 1907.	
Cash on hand January 1, 1907	$24, 843, 904
Weekly dues	176, 941, 728
Paid-up stock	15, 697, 056
Deposits	44, 070, 000
Loans repaid	143, 264, 112
Interest	39, 692, 832
Premium	2, 652, 336
Fines	477, 312
Pass books and initiation	748, 512
Borrowed money	51, 153, 744
Real estate sold	6, 286, 416
Miscellaneous receipts	12, 581, 696
Total	518, 409, 648
DISBURSEMENTS, 1907.	
Pass book loans	12, 882, 000
Mortgage loans	209, 925, 072
Stock withdrawals	145, 254, 720
Paid-up stock withdrawals	19, 336, 560
Deposit withdrawals	37, 539, 504
Expenses	5, 239, 584
Borrowed money	49, 352, 976
Interest	1, 312, 608
Real estate purchased	2, 533, 008
Miscellaneous disbursements	12, 995, 904
Cash on hand January 1, 1908	22, 037, 712
Total	518, 409, 648

The year 1908 has been an all-important one in the history of the building and loan associations of Ohio. While to those unfamiliar with their work and history the year would seem uneventful, it has nevertheless been a trying period to these financial institutions. The showing thus made must give cause for congratulation to those who are interested in or are friendly to these institutions and who believe in the principles through which they operate. The recent depressed financial period was so far-reaching in its effect on the wage-earner and those in moderate circumstances that direful results to associations organized and maintained, in large measure, to conserve the financial savings of these people were freely predicted, freely commented on, and the subject of much speculation and misgiving; but the results to these associations, as is shown from the various reports officially filed, is convincing that throughout this entire trying period the building and loan associations of Ohio have prospered and grown, and in their quiet, careful, and economical way have in no wise been disturbed by this financial ordeal. On the contrary, they have apparently remained undisturbed by flurry, and have not suffered to any appreciable extent by loss through excessive or abnormal withdrawals, continuing to accumulate the savings of their members and to loan their funds to buy, build, or improve homes. Notwithstanding the fact that during the past year many organized financial institutions were forced to adopt various methods of liquidation and the closing up of their affairs, not a building and loan association in Ohio was compelled to close its doors or defaulted in its payments. This extraordinary test of their strength and stability must give to the public added confidence in their condition and management.

The net gain in assets of these associations for the year was $6,626,297.15, and this large gain during a disastrous financial period, harmful and ruinous to so many, must be accepted as evidence that the confidence in membership and management in associations who advocate and encourage home building and home owning, and whose principles are based on a mutuality of interest, are permanent in their character and appeal to the confidence of all classes in fair or foul financial weather.

The rates of interest charged are not excessive, and premiums as formerly used are being eliminated. In Ohio not one association in fifty uses it. A straight rate of interest is generally being charged, expressed in plain terms, with no fines or subterfuges. Payments on loans are almost universally on the monthly repayment plan.

Building and loan associations have been exempted in previous legislation of this character. I hope and trust they will be in this act.

The PRESIDING OFFICER. The Senate will please be in order, and Senators will refrain from audible conversation on the floor.

Mr. BACON. I will say to the Senate that in the effort to talk, with everybody else talking, I have already gotten myself into a headache, although I have not talked very long. It is an extremely difficult matter from a physical standpoint to speak with a buzz of conversation going on all around.

I suggest to the Senator from Nebraska that his amendment as it is printed, before the last words, be submitted to the Senate. I will then offer the first proviso as an amendment to it, and we can take up the building and loan association matter in a subsequent amendment.

Mr. BURKETT. There are a good many Senators about me here who object to taking out the words "building and loan associations." They want them named; and I do not feel at liberty to consent that that part of the amendment shall be disagreed to unless it is the wish of the committee. I suggest that the Senator can move to amend my amendment by striking out those last words, "nor to building and loan associations," and take the sense of the Senate upon the question.

Mr. BACON. I want to say that I am not opposed to the exemption of proper building and loan associations. On the contrary, I am in favor of it. The Senator from Texas [Mr. BAILEY] has just made a suggestion to me that it should be confined to building and loan associations operating within a given or a limited territory. I merely give that as an illustration to show the importance of taking up the building and loan association matter by itself. I am not trying to cut the building and loan association feature out; I am trying to have it properly limited.

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

Mr. BURKETT. Inasmuch as this amendment of mine comes with the report of the committee, I would not be at liberty to withdraw it without the concurrence of the committee.

Mr. BURROWS. I suggest to the Senator from Georgia that he might offer an amendment to this amendment touching the building and loan associations which would conform to his views and which could be adopted, and let the proposition stand.

Mr. BAILEY. If the Senator from Georgia will permit me. I am sure the Senator from Georgia feels as I do—that I would rather exempt some that ought to be taxed than to tax some that ought to be exempt.

Mr. BACON. Perfectly so.

Mr. BAILEY. I think there is no institution in this Republic that deserves encouragement more than an institution that helps the poor to acquire homes. I hope Senators on the other side will agree with the Senator from Georgia upon some amendment that will relieve from this tax those organizations designed to secure homes for worthy people and to subject to the tax those which are organized purely for the profit of their promoters.

Mr. BACON. I will propose an amendment to that part of the amendment of the Senator from Nebraska. The language of the amendment offered by the Senator from Nebraska is simply this, "nor to building and loan associations." I propose to add the words:

Organized and operated exclusively for mutual benefit, and no part of the profit of which inures to the benefit of any private individual.

I think it would be sufficient just to say "organized and operated exclusively for mutual benefit," and I will offer the amendment in that way.

Mr. FLINT. Let me make one further suggestion to the Senator from Georgia.

Mr. BACON. Certainly.

Mr. FLINT. That there be inserted the words, "and which make loans only to their shareholders or members."

Mr. BURTON. Mr. President——

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

Mr. BACON. I do.

Mr. BURTON. I think that there would be danger in the incorporation of the words "which make loans only to their shareholders or members." There might be a balance on hand deposited in banks. It seems to me it would be better to leave out those words. The words suggested by the Senator from Georgia, "organized for mutual benefit," I think, cover the case.

Mr. BACON. "Organized and operated exclusively for mutual benefit."

Mr. BURTON. "Organized and operated exclusively for mutual benefit." I think that language covers the case.

Mr. HEYBURN. The words "mutual benefit" seem to be unlimited, so far as I could gather from the reading. Is there language there that would confine that to the mutual benefit of the parties comprising the organization or to the mutual benefit of those parties and such as they might loan money to?

Mr. BACON. I will say the "mutual benefit of its members."

Mr. HEYBURN. I think there should be some limitation there. That is obvious.

Mr. BURKETT. Now, I should like to hear the amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

Mr. CUMMINS. Mr. President——

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

Mr. BACON. I do, with pleasure.

Mr. CUMMINS. While we are exempting worthy associations from the operation of this law, there are some in our part of the country that I should like to have exempted—mutual insurance companies.

Mr. BACON. I will suggest to the Senator that that comes under a different provision. If the Senator will just postpone that until we finish the pending proposition, then that will come up as a subsequent part of the amendment.

Mr. CUMMINS. Very well. There is a very great difference between mutual insurance companies, some of which do business for similar purposes which I think you are trying for in the case of building and loan associations.

Mr. BACON. That will come up later. I now read the amendment which I propose to the amendment of the Senator from Nebraska. The amendment offered by the Senator from Nebraska adds simply the words "nor to building and loan associations." I propose to amend further by adding "organized and operated exclusively for the mutual benefit of their members."

Mr. BURKETT. I have no objection to that.

Mr. CUMMINS. May I suggest to the Senator from Georgia that there is a legal phrase that is pretty well known throughout the country that will describe the kind of building and loan associations that he has in mind—"domestic loan and building associations." The large building and loan associations are the ones, I take it, that the Senator does not want to exempt. In our State—I do not know how it is elsewhere—the small building and loan associations are known as "domestic loan and building associations."

The PRESIDING OFFICER. Does the Senator from Nebraska modify his amendment in accordance with the suggestion of the Senator from Georgia?

Mr. BURKETT. In accordance with the suggestion of the Senator from Georgia.

The PRESIDING OFFICER. If so, the amendment will be stated as modified.

Mr. BEVERIDGE. May I ask the Senator from Nebraska just one question?

The PRESIDING OFFICER. The amendment will be stated as modified.

The SECRETARY. At the end of line 14, page 2, strike out the period and insert a comma and the following words:

Provided, however, That nothing in this section contained shall apply to fraternal beneficiary societies, orders, or associations, operating under the lodge system, and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations and dependents of such members, or to building and loan associations organized and operated exclusively for the mutual benefit of their members.

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

Mr. BURKETT. Certainly.

Mr. BEVERIDGE. I notice in the amendment, as stated, that the Senator has stricken from the original the words "including labor organizations." I had a telegram only this morning from the Brotherhood of Locomotive Firemen——

Mr. BURKETT. Will the Senator allow us to get this considered?

Mr. BEVERIDGE. Yes; but I wanted to know why those words were stricken out.

Mr. BURKETT. The committee reported the provision with those words out; but let us get this straightened out, and we will take that up later, for there are some Senators who want to take that up also.

Mr. BEVERIDGE. Very well; I will ask the question later.

The PRESIDING OFFICER. The question is on the amendment submitted by the Senator from Nebraska as modified.

Mr. BACON. I have an amendment which I will offer to it.

The PRESIDING OFFICER. That has been accepted.

Mr. BACON. No; not that one; but the amendment which I had previously offered and which I held in abeyance in order that the language of the Senator's own amendment might be corrected.

The PRESIDING OFFICER. The Chair would suggest that the amendment is now subject to further amendment.

Mr. CRAWFORD. Mr. President——

Mr. BACON. I have not yielded the floor, although I have not had much opportunity to occupy it.

Mr. CRAWFORD. Mr. President, I am not asking that; but before any motion is put and action is had by the Senate I want to be heard. I am opposed to the whole thing, and I want to be heard upon it.

Mr. BACON. Undoubtedly, under the rules of the Senate, the Senator will have an opportunity. There is no possible difficulty about that.

The PRESIDING OFFICER. Does the Senator from Georgia offer an amendment?

Mr. BACON. I will offer it; and then I will yield the floor to the Senator from South Dakota. As I understand, the amendment which has been read has been accepted.

Mr. BURKETT. It has been agreed to, as I understand.

The PRESIDING OFFICER. The amendment as modified——

Mr. CLAPP. I do not understand that it has been agreed to. It has been accepted by the Senator from Nebraska. I propose to be heard on the proposition.

The PRESIDING OFFICER. The Senator offering the amendment has modified it in conformity with the suggestion of the Senator from Georgia, and it is now before the Senate.

Mr. BACON. The further amendment which I propose to that is to add the following proviso:

Provided, That the provisions of this section shall not apply to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

I offer that as an amendment to the modified amendment of the Senator from Nebraska.

The PRESIDING OFFICER. The question is upon the amendment submitted by the Senator from Georgia to the amendment of the Senator from Nebraska.

Mr. HEYBURN. I should like to have it stated.

Mr. CRAWFORD. Mr. President, I think when we begin to depart from the language used by the committee providing that the proposed law should apply to corporations for profit, we at once get into a situation where one step leads to another, and privileges and exemption are secured that might be unjust and unfair to the others who would have to pay this tax.

This provision, as I understand, applies to corporations for profit. The term "corporations for profit" is well understood. "Corporations for profit" have run the gantlet of the courts. Everyone knows what a "corporation for profit" is; and the only question as to whether or not a benevolent association, a religious institution, a mutual insurance company, or a cooperative concern is or is not within the meaning of this provision is whether or not it is a corporation for profit.

Why should building and loan associations be exempt from this provision if they are corporations for profit and if they have that amount of net earnings in their treasury that brings them within the reach of this proposed law? A building and loan association is an organization which pays salaries to its officers, which collects interest, and, I dare say, that, as a rule, the average rate of interest paid by the borrower from a building and loan association exceeds that which he pays in borrow-

ing money from the ordinary lender or from a bank. There is one good thing about building and loan associations, and that is that poor people can get money on long terms and apply what otherwise might be paid out in rent gradually to the payment for property if they ever get through with it; but very often when half the term is gone they are obliged to give up all that they have paid, and the men who organized the company get the benefit.

The only question here is, Is it a corporation for profit and has it a net income to which this proposed law shall apply? If so, why should it be exempted?

I think there is too much false sentiment about this matter. Some one will come here and say "We are a lodge; we are an organization for the mutual help and benefit of our members, and therefore this law ought not to apply to us." In a case like that, the language of the amendment as it has been reported here is good enough. If it is a purely mutual cooperative concern for the benefit of its members and has no net profits coming within the meaning of this bill, the law will not apply, but if it is a corporation for profit and has a sufficient income, why should it be exempt simply because it goes under the name of a lodge or a cooperative concern? You will find every step leads to another, and finally the great insurance companies in the East, that call themselves cooperative or mutual companies, will have just as much right, because they assume that name, to claim the exemption as a building and loan association or the members of some lodge. Let the language reported by the committee stand. The term "corporation for profit" is sufficiently clear and sufficiently plain; and every case will fall on one side or the other of that line as it has been drawn by the committee.

I am opposed to taking a step beyond the regular construction put upon the language "corporation for profit." I do not care whether it is a Methodist Book Concern or a Presbyterian organization—splendid organizations which are doing great work—but are they or are they not corporations for profit? The whole thing turns on that. If they are not, then the law does not hurt them; and if they are and they are growing rich, they ought to pay precisely the same as others do. I am opposed to it all.

Mr. BURKETT. Mr. President, I believe the amendment of the Senator from Georgia is before the Senate, if the Chair will put it.

Mr. BEVERIDGE. I thought that the amendment of the Senator from Nebraska was before the Senate.

Mr. BURKETT. The Senator from Georgia offered an amendment to it, which the Chair has not put, I think, to the Senate as yet.

The PRESIDING OFFICER. The Senator from Georgia offers an amendment, which will be stated.

Mr. BACON. I want to change the language a little, in order to dovetail it with the language found in the amendment of the Senator from Nebraska. Strike out the words "*Provided*, That the provisions of this section shall not apply;" put a semicolon after the word "members," in the Senator's amendment, and then insert the word "nor" in place of the words I have indicated, so that it will read:

> Nor to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes—

And so forth.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Add to the amendment already stated a semicolon and the following words:

> Nor to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Georgia [Mr. BACON] to the amendment of the Senator from Nebraska [Mr. BURKETT].

Mr. LA FOLLETTE. I suppose the Senator from Nebraska may perfect his amendment before it is voted upon?

Mr. BEVERIDGE. Mr. President, I had risen for that very purpose.

Mr. LA FOLLETTE. I want to make a suggestion with respect to restoring to the amendment the words "including labor organizations."

Mr. BEVERIDGE. I had risen for that purpose.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia [Mr. BACON] is now in order. The Senator from Nebraska [Mr. BURKETT] modified his amendment in accordance with a former suggestion of the Senator from Georgia. Of course the Senator from Nebraska can modify it still further if he desires to do so.

Mr. BURKETT. Let the Senate vote first on the amendment of the Senator from Georgia, and after that vote on my amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Georgia.

The amendment to the amendment was agreed to.

Mr. BEVERIDGE. Mr. President, I rose some time ago to ask the Senator from Nebraska to modify his amendment further by inserting the words that were stricken out, "including labor organizations."

Mr. LA FOLLETTE. I have made some inquiry with respect to the matter, and find that in many States the labor organizations do not maintain a lodge system; so it is an important question whether they ought not to be specially included, if they are to be exempted from the payment of this tax.

Mr. BURKETT. I then ask unanimous consent to modify my amendment by inserting, after the words "lodge system," in line 5, the words "including labor organizations."

Mr. CRAWFORD. I object to it. I object to everything connected with the proposition.

Mr. LA FOLLETTE. Then I move to amend the pending amendment by inserting in line 5, after the word "system," the words "including labor organizations."

The PRESIDING OFFICER. The Senator from Wisconsin offers an amendment, which the Secretary will report.

The SECRETARY. In line 5 of the amendment, after the word "system," insert "including labor organizations" and a comma.

Mr. BURTON. I think there is a question of phraseology there, Mr. President. It will be noticed that the words "providing for the payment of life, sick, accident, and other benefits to the members of such societies," and so forth, are responsive to the words immediately preceding; and if the words "labor organizations" are inserted as proposed by the amendment, they separate a sentence which should be a unit. I think there is a reason why labor organizations should be included somewhere, because the exception applies only to associations which provide for the payment of life, sick, accident, and other benefits. Labor organizations do not all make such provisions, and are not organized for those purposes.

Mr. LA FOLLETTE. As I am informed, all of them pay sick benefits, but they are not all organized under the lodge system.

Mr. BURTON. I suggest to the Senators from Indiana and Wisconsin that the words "labor organizations" should be inserted in line 3, after the words "shall apply to."

Mr. BURKETT. Yes.

Mr. LA FOLLETTE. I think that is a good suggestion, and I will submit the amendment in that form—to insert after the word "to," in line 3, the words "including labor organizations."

Mr. BURKETT. I will say to the Senators that when I drew my original provision it contained the words "including labor organizations." They were put in after a conference with the representatives of some of the organizations. The expression may not be entirely applicable to all of them. I have no preference as to where it shall go in, provided it goes in somewhere.

The PRESIDING OFFICER. The Chair will suggest to the Senator from Wisconsin that the word "including" probably ought not to be used. If that is omitted, it will read:

> That nothing in this section contained shall apply to labor organizations and to fraternal beneficiary societies.

Mr. LA FOLLETTE. That is manifest.

The PRESIDING OFFICER. "Or to fraternal beneficiary societies."

Mr. LA FOLLETTE. "Or" is the better word.

The PRESIDING OFFICER. The Senator from Wisconsin offers the amendment, which the Secretary will report.

The SECRETARY. On line 3, after the word "to," insert "labor organizations or."

Mr. FLINT. Mr. President, the committee has no objection to this amendment. On the contrary, after careful consideration we had reached the opinion that its purpose was included within the various definitions that have been given in the amendment. Since then, I understand, a number of these organizations have reached the conclusion that the terms of the original amendment are not broad enough.

The PRESIDING OFFICER. The question is upon the amendment submitted by the Senator from Wisconsin.

Mr. HEYBURN. Mr. President, in the multitude of amendments it is impossible to tell just what is the present status of the matter. What amendment are we voting on?

The PRESIDING OFFICER. Does the Senator from Idaho desire to have the amendment read?

Mr. HEYBURN. Yes; I desire to know what amendment it is.

The PRESIDING OFFICER. The Secretary will read the amendment as it will read if the amendment of the Senator from Wisconsin is agreed to.

Mr. HEYBURN. This is the only amendment pending?

The PRESIDING OFFICER. It is the only amendment pending.

The Secretary read as follows:

Provided, however, That nothing in this section contained shall apply to labor organizations or fraternal beneficiary societies, orders, or associations operating under the lodge system, and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations, and dependents of such members; nor to building and loan associations organized and operated exclusively for the mutual benefit of their members; nor to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

Mr. HEYBURN. Will some Senator tell me what remains and who there is remaining to pay this tax? I have just made a casual summary of the amount of capital exempted, and, according to the statistics, it is something over $1,800,000,000. There can not be very much remaining. Of course all these organizations are for the mutual benefit of those who organize them. A savings bank is for that purpose, and yet it is a money-making institution. The savings banks boast of the amount of money they make, and so do all these associations.

I voted against this measure. I am inclined to be very critical of it. If I were to take a defiant course, I should probably say: "Make it as bad as you can." But it will doubtless become a law. Having made a hasty mental summary as the various exemptions were proposed, and knowing as I do that you can call one of these concerns a "mutual benefit association," a "building association," or anything else, when it may really be a bank, I am merely calling attention to the fact that there will be very little left upon which to collect this revenue.

Mr. ALDRICH. Mr. President, it was the opinion of the committee, which I shared, that the language originally used in the provision covered everything that is now covered by the various amendments. I have no question about it in my own mind. But when we provided that corporations not organized for profit and without a capital stock, either or both were excluded, that excluded all the corporations and organizations that could properly be included in the amendment which is pending before the Senate. I personally had no question about that. Unquestionably there are building and loan associations, as well as other associations and corporations, that ought not to be excluded.

I shall not object to the adoption of this amendment and all these amendments; but I expect that the committee will give very careful consideration in conference to these various provisions, and try to admit to the privileges of exclusion those that are entitled to be so admitted and make the others pay.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin.

Mr. CLAPP. I desire to ask the Senator from Nebraska [Mr. BURKETT] if he will not accept as an amendment the insertion of the word "domestic," before the word "mutual," where the qualification "building and loan associations" occurs?

I should like to say a word on this subject. I believe that almost the most important thing in the permanency of our institutions is that people shall own their homes. A local building association has enabled thousands of persons to acquire homes who would never have acquired them otherwise. It is true that the rate of interest is excessive, but the borrowers participate somewhat in the benefits or profits accruing from that interest. They are enabled in this way to pay for their homes in little driblets, whereas they could not borrow the money upon a mortgage and pay off the mortgage in such small sums; and they could not conveniently and would not save in advance a sufficient amount to enable them to buy the homes. But by paying these monthly contributions they get their homes.

As this amendment stands to-day, however, it exempts the great so-called "jumbo" building and loan associations. They come absolutely within the language of the Senator from Georgia [Mr. BACON]. There is no distinction between the theoretical plan of the domestic building association and that of the "jumbo" association. The only difference is that when you come to work out the administration of the one, its loans are made and its stock is held locally; while in the case of the other, the stock is sold all over the country, and the company is run for the benefit of the men who promote it. Yet, theoretically, upon the face of their organization papers, the large companies would come within the purview of the language already agreed upon.

As was stated by the Senator from Iowa [Mr. CUMMINS], the word "domestic" has come to have a special meaning and significance in building and loan parlance; and I believe we should insert it here. If, in conference, the committee find some better term, there will be no objection to it. The word "local" might be better; or it might be limited to stockholders or borrowers within the county. That, taking an average, might be better. But somewhere in the paragraph relating to building and loan associations there ought to be a limitation of the kind suggested. Otherwise we will exempt the great "jumbo" companies that are run for speculation, the same as we will the domestic corporations that are run for the benefit of those who really get homes out of them.

I will ask the Senator from Nebraska to accept the word "domestic," with the understanding that if the committee find any better word it can be substituted.

Mr. BACON. Suppose the suggestion of the Senator were "local or domestic?"

Mr. CLAPP. I will accept "local or domestic." I merely made the suggestion in order that something may be inserted here as an evidence of the purpose of the Senate. If the committee can discriminate between local or domestic corporations on the one hand and the great "jumbo" building and loan associations on the other, that is all I desire.

Mr. BURKETT. Where does the Senator suggest that these words come in—right after the word "associations?"

Mr. CLAPP. No. Take the amendment of the Senator from Georgia, where he uses the words "organized and operated exclusively for the mutual benefit of their members."

Mr. BURKETT. Then what?

Mr. CLAPP. I suggest that before the word "loan" the word "domestic" be inserted.

Mr. BACON. Before the word "building?"

Mr. CLAPP. Before the word "building," so it will read:

Nor to domestic or local building and loan associations.

Mr. BURTON. Mr. President, the trouble about that is in the definition of the words "local or domestic." What would be the definition of those terms as there used? Does the Senator mean a building and loan association which confines its operations within a single State or within a single county?

Mr. CLAPP. That would depend somewhat on the result of experience that might be brought to the attention of the committee. In our country we regard as a domestic building and loan association one that is limited to the county. In other States it may be different. My object is simply to put this in as a suggestion to the committee, in order that when they get into conference they may devise some system of differentiating between the large and the small concerns.

Mr. BURTON. Mr. President, I think the operations of these associations should be confined within a single State. I think that practically all of them are. But it seems to me it would be somewhat severe to have a hard-and-fast rule that they must be confined within a county. That would be, in substance, declaring that a prosperous concern must stop transacting business when it reaches a certain development.

Mr. CLAPP. I have had a great deal to do with these concerns. My observation and experience is that, when they get to spreading out too far, they invite a field of exploitation for promoters, and the primary idea of the poor man getting a home is then lost sight of.

Mr. BURTON. I do not believe there will be any objection to the word "domestic." If it comes in at all, it should be at the very beginning—"nor to domestic building and loan associations."

Mr. CLAPP. That is agreeable to me.

Mr. BURKETT. Then, Mr. President, I accept that as part of the amendment.

The PRESIDING OFFICER. The amendment is so modified. The question now is upon the amendment offered by the Senator from Wisconsin.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is upon the amendment as amended, which will be again reported.

Mr. BACON. Has the separate amendment offered by me been adopted?

The PRESIDING OFFICER. It has been agreed to.

Mr. BACON. There are other amendments that some Senators desire to have considered. The Senator from Iowa, for instance, desired to have consideration of an amendment with reference to insurance companies.

Mr. FLINT. I suggest to the Senator that we adopt this amendment now and take up the question of insurance afterwards.

Mr. BACON. Very well.

The PRESIDING OFFICER. The amendment as amended will be again reported.

The SECRETARY. At the end of line 14, page 2, insert the following:

Provided, however, That nothing in this section contained shall apply to labor organizations or fraternal beneficiary societies, orders, or asso-

ciations operating under the lodge system and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations, and dependents of such members; nor to building and loan associations organized and operated exclusively for the mutual benefit of their members; nor to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

The PRESIDING OFFICER. The question is upon the amendment which has just been reported.

Mr. GORE. Mr. President, I desire to offer an amendment to the pending amendment. I did not expect it to come up today, and I have not reduced it to writing, so I will dictate it to the Secretary. It is as follows:

Add these words at the close of the amendment:

"*And provided further,* That all revenue arising under this act from banking associations organized under the laws of any State or Territory shall be paid over to the treasurer of the State in which such banking associations are severally situated."

I should like to have the yeas and nays on that.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Oklahoma, upon which the Senator from Oklahoma demands the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

Mr. GORE. Mr. President, I desire to offer another amendment, as follows:

And provided further, That all revenues arising from any corporation, joint-stock company, or association organized for the purpose of manufacturing, producing, or supplying water, gas, or electricity to any municipality shall be turned over to the treasurer of the municipality or municipalities supplied by such corporation, joint-stock company, or association.

The PRESIDING OFFICER. The amendment submitted by the Senator from Oklahoma will be reported.

Mr. ALDRICH. To save time, I move to lay the amendment on the table.

The PRESIDING OFFICER. The Chair will take the liberty of suggesting to Senators that in offering amendments they should be submitted in writing.

Mr. GORE. I should like to say that I did not anticipate that the amendment would come in in the amendment of the Senator from Nebraska, and I offer that to the Senate as a reason and an apology for the course I have pursued.

The PRESIDING OFFICER. The amendment will be stated.

The Secretary read as follows:

And provided further, That all revenues arising from any corporation, joint-stock company, or association organized for the purpose of manufacturing, producing, or supplying water, gas, or electricity to any municipality shall be turned over to the treasurer of the municipality or municipalities supplied by such corporation, joint-stock company, or association.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island to lay on the table the amendment offered by the Senator from Oklahoma.

The motion was agreed to.

Mr. GORE. There is another amendment which I desire to submit. I shall have to offer it in the same way. Insert:

And provided further, That whenever any State levies a tax on the deposits of any banking association organized under its laws for the purpose of guaranteeing the payment of the deposits of such banking association, the amount of the tax levied by the State shall be deducted from the tax imposed by this act.

On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. BACON. I wish to offer an amendment to succeed the amendment which has just been adopted.

Mr. ALDRICH. I hope the Senator will not press his amendment. I think we have gone as far as we can in these exemptions.

Mr. BACON. I am not going to take any time particularly about it; but there is one class of exemptions which I think ought to be added, and that is to include the small mercantile organizations. After the previous amendment just adopted insert a semicolon and then the words:

Nor to any corporation or association designed and operated solely for mercantile business, the gross sales of which do not exceed $250,000 per annum.

It has come to be quite a common practice throughout the country and in all sections of the country for mercantile firms to be organized into corporations. It is simply a convenient manner of doing business. They can effect the same purpose by limited partnerships. There is nothing in the claim that they are screened from personal liability by the corporation, because under the limited partnership law, which is found in every State, the same exemptions can be secured. The man will be liable only for the amount of money he puts in.

The condition is this: That for convenience in the business world it has grown to be a very large practice for firms to organize themselves into corporations. They do exactly the same business as does the man or the firm across the street who is not incorporated; and it seems to me that, at least so far as concerns the small enterprises, there ought not to be any distinction made between those who, for convenience, are organized into corporations and those who pursue their business as individuals—either one individual or several associated together as partners. There are in the country, of course, very large enterprises which are organized into corporations, conducting great establishments, that stand on an altogether different footing.

Mr. HALE. Mr. President——

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

Mr. BACON. I do, with pleasure.

Mr. HALE. The bill does not cover partnerships.

Mr. BACON. No; it does not.

Mr. HALE. Does the Senator desire that partnerships shall also be covered?

Mr. BACON. No, indeed. I presume the confusion in the Chamber prevented the Senator from hearing me accurately. I was simply illustrating. The only reference I made to partnerships was this: I stated the fact that, for convenience, it had grown to be a very general practice throughout the country for those engaged in mercantile businesses to organize themselves into corporations. It is not limited in that particular to those engaged in large enterprises, but all through the country men who are doing a small business organize themselves into corporations.

Mr. HALE. I know that where I live that has come to be rather the general way.

Mr. BACON. It is true in almost all communities.

Mr. HALE. Now, what does the Senator from Georgia desire to accomplish? I could not get that.

Mr. BACON. What I am after is this: I had stated that the men who are thus organized into corporations are really under no greater obligations, moral or otherwise, to pay money to the support of the Government than are other men who are engaged in exactly the same business and who adopt the firm style rather than the corporation style; and the suggestion which has been made here, that those who incorporate themselves have a certain increased advantage in the exemption which they have beyond their capital stock is not pertinent, because those who retain the firm style can still have that exemption by entering into a limited partnership, which makes them entirely exempt.

Mr. HALE. What does the Senator's amendment cover?

Mr. BACON. My amendment is to exempt certain mercantile corporations from the provisions of this act. I will read it in the hearing of the Senator:

Nor to any corporation—

That is, it shall not apply—

or association designed and operated solely for mercantile business the gross sales of which do not exceed $250,000 per annum.

Mr. DU PONT. Mr. President——

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

Mr. BACON. I do.

Mr. DU PONT. I should like to ask the Senator from Georgia if he does not think the people who are incorporated enjoy substantial benefits under the law in excess of those who are in partnership? They are exempt from personal liability, and in case of death or withdrawal from business the corporation can not be forced into litigation as is the case in a partnership. I think that business people when incorporated enjoy substantial privileges and immunities, and such being the case, it appears to me that they should submit to the tax.

Mr. BACON. I have endeavored to anticipate the objection made by the Senator from Delaware so far as exemption is concerned. Exactly the same thing is accomplished by the limited-partnership provision, which is known to the law of every State in the country, under which a partner is only liable for the amount of money which he actually puts in.

I submit the amendment. I do not want to occupy the time of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Georgia to the amendment of the Senator from Nebraska.

Mr. BACON. I should like to have the yeas and nays on it.

The yeas and nays were not ordered.

The amendment to the amendment was rejected.

Mr. LODGE. I offer as section 17 a new section. It is identical with section 19 of the House bill and with the existing law, with the single exception that after the word "convention," in line 24, the words "or act of Congress" are inserted.

The PRESIDING OFFICER. The amendment will be stated.

Mr. ALDRICH. I suggest to leave out the number.

The SECRETARY. It is proposed to insert as a new section the following:

SEC. —. That a discriminating duty of 10 per cent ad valorem, in addition to the duties imposed by law, shall be levied, collected, and paid on all goods, wares, or merchandise which shall be imported in vessels not of the United States, or which being the production or manufacture of any foreign country not contiguous to the United States, shall come into the United States from such contiguous country; but this discriminating duty shall not apply to goods, wares, or merchandise which shall be imported in vessels not of the United States entitled at the time of such importation by treaty or convention or act of Congress to be entered in the ports of the United States on payment of the same duties as shall then be payable on goods, wares, and merchandise imported in vessels of the United States, nor to such foreign products or manufactures as shall be imported from such contiguous countries in the usual course of strictly retail trade.

Mr. NELSON. Wherein does that differ from the existing law?

Mr. LODGE. It differs by merely adding after the words "treaty or convention" the words "or act of Congress." If those words are not added and the law stands as it is, it will operate to put a discriminating duty of 10 per cent on everything imported by us from East India or Canada, because East India and Canada are not included in the treaty of commerce and navigation with the United States.

Mr. GORE. Mr. President, I desire to submit an amendment to this amendment. I am in the same predicament I was a few minutes ago and am compelled to dictate it. It is to add the following proviso:

Provided further, That all imported material and supplies which shall be used in the construction, equipment, or maintenance of vessels enrolled or registered in the United States shall be entitled to the provisions of the drawback section of this act in the same manner and to the same extent as if such material and supplies had been exported subsequent to importation.

Mr. LODGE. I understand that the amendment proposed by the Senator from Oklahoma is entirely covered in the next section, which I am about to offer, the admission of free material with a drawback on material in shipbuilding. It has nothing to do with this section.

Mr. GORE. Then I withhold it for the present.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Massachusetts.

The amendment was agreed to.

Mr. LODGE. I now offer the following section, which is the same as the existing law, except that in line 23 the word "two" is changed to "six," allowing vessels built of free foreign materials to operate for not more than six months in any two years in the coastwise trade instead of not more than two months.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. It is proposed to add a new section, as follows:

SEC. —. That all materials of foreign production which may be necessary for the construction of vessels built in the United States for foreign account and ownership, or for the purpose of being employed in the foreign trade, including the trade between the Atlantic and Pacific ports of the United States, and all such materials necessary for the building of their machinery, and all articles necessary for their outfit and equipment, may be imported in bond under such regulations as the Secretary of the Treasury may prescribe; and upon proof that such materials have been used for such purposes no duties shall be paid thereon. But vessels receiving the benefit of this section shall not be allowed to engage in the coastwise trade of the United States more than six months in any one year except upon the payment to the United States of the duties of which a rebate is herein allowed: *Provided*, That vessels built in the United States for foreign account and ownership shall not be allowed to engage in the coastwise trade of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Massachusetts.

Mr. GORE. Mr. President, I heartily approve of this measure as far as it goes. I think the change from two to six months is a long step in the right direction, because that limitation has hindered capital from investing in the construction of vessels of this character. The fact is that they are precluded from one of the largest and most profitable fields of navigation.

I move to strike out even that limitation. I will ask the Senator from Massachusetts to assist in suggesting the amendment. I realize that he does not approve of it, but I desire to move to strike out the limitation, so that they can engage in the coastwise trade twelve months in the year.

Mr. LODGE. It is six months in any two years now, as amended by the committee. I hope no further extension will be made.

Mr. GORE. I am sure no further amendment will be adopted. I merely desire to offer the amendment as an expression of my views on the subject. I move to strike out the proviso inserting the limitation.

Mr. LODGE. To strike out the whole limitation relating to vessels engaged in the coastwise trade is the amendment of the Senator from Oklahoma.

Mr. GORE. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Oklahoma to the amendment of the Senator from Massachusetts.

Mr. GORE. I ask for the yeas and nays on it, because if we want to build up a merchant marine this is the way to do it.

The yeas and nays were not ordered.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. LODGE. I now offer the following amendment as a new section, which I ask may be read.

The SECRETARY. It is proposed to add a new section, as follows:

SEC. —. That a tonnage duty of 2 cents per ton, not to exceed in the aggregate 10 cents per ton in any one year, is hereby imposed at each entry on all vessels which shall be entered in any port of the United States from any foreign port or place in North America, Central America, the West India Islands, the Bahama Islands, the Bermuda Islands, or the coast of South America bordering on the Caribbean Sea, or Newfoundland, and a duty of 6 cents per ton, not to exceed 30 cents per ton per annum, is hereby imposed at each entry on all vessels which shall be entered in any port of the United States from any other foreign port, not, however, to include vessels in distress or not engaged in trade.

This section shall not be construed to amend or repeal section 2792 of the Revised Statutes as amended by section 1 of chapter 212 of the laws of 1908, approved May 28, 1908, or section 5 of the said chapter 212 of the laws of 1908, or section 2793 of the Revised Statutes.

Section 4232 of the Revised Statutes, and sections 11 and 12 of chapter 421 of the laws of 1886, approved June 19, 1886, and so much of section 4219 of the Revised Statutes as conflicts with this section, are hereby repealed.

This section shall take effect sixty days after the approval of this act.

Mr. BACON. Mr. President, of course this is an extremely important matter, and it is absolutely impossible for those of us who have not had an opportunity to examine it carefully to know anything about it. I simply want to ask the Senator whether this amendment has been before the Committee on Commerce?

Mr. LODGE. It was introduced by the chairman of the committee.

Mr. BACON. I am asking for information. Was it introduced by the chairman of the Committee on Commerce?

Mr. LODGE. Yes.

Mr. FRYE. A bill similar to this, almost word for word, passed the House of Representatives several years ago, came to the Senate, and was referred to the Committee on Commerce. The Committee on Commerce unanimously reported it, but it was very late in the session. There was one Senator who always objected to its consideration, and the result was that it did not become a law.

Mr. BACON. I did not wish to be understood by my inquiry as antagonizing it; but, having the tariff bill under consideration, I desired to know whether it had been before the committee of the honorable Senator from Maine. That is the reason why I made the inquiry. I have nothing further to say.

Mr. LODGE. I would be very glad if the Senator from Maine would say a word in regard to the amendment.

Mr. FRYE. Mr. President, we have a tonnage tax of 6 cents a ton for every entry of our ships engaged in foreign trade in United States ports, not to exceed 30 cents a year, and for the nearby ports not to exceed 15 cents a year, 3 cents a ton. The old law provided that whenever the President of the United States was satisfied that any foreign country had no tonnage tax and no light-house dues or other dues equivalent to a tonnage tax, he then, by proclamation, should relieve the ships of that country from our tonnage tax.

Germany was relieved on representations made by the German Empire, which took three or four hundred thousand dollars from our Treasury.

But a few years afterwards one of our schooners, by accident, drifted in distress into a German port, and the German port did apply duties equivalent to the tonnage tax to that vessel. The result was that the privileges of the German shipping were promptly withdrawn by the President.

We have about a million dollars a year from this tonnage tax. A little over 7 per cent of the million dollars is paid by United States vessels; all the rest by foreign ships. So it can be seen that it is impossible to have any reciprocity, because we have no ships engaged in the foreign trade; and if the foreign countries should repeal their duties equivalent to the tonnage taxes, we would be in this position—we would lose $940,000 a year and gain only about $60,000 to ourselves.

A measure has been before the English Parliament and came near being passed, repealing their equivalent duties. If it had passed, we should have lost $400,000 or $500,000 a year from their ships and gained for our own practically only the American line, for we had no other ships engaged in the trade. So it is impossible to have any reciprocity.

If all these foreign nations should repeal their light-house dues equivalent to the tonnage taxes which we have—for we have no light-house dues, our tonnage tax takes the place—we would lose $940,000 a year, and save to ourselves only about $60,000.

This is an amendment which ought to be adopted in the interest of the United States, beyond any question.

Mr. BACON. I understand from the Senator the purpose of the amendment is to relieve us from the contingency——

Mr. FRYE. From reciprocal obligation.

Mr. BACON. From reciprocal obligation?

Mr. FRYE. That is all.

Mr. ELKINS. I think that the amendment will save probably to the Government a million of dollars a year, and I am heartily in favor of it. I want to say to the Senate that I introduced an amendment, on which I want to say just a few words, which reads as follows:

On all goods, wares, and merchandise, and articles of every kind imported in ships or vessels of the United States there shall be allowed a reduction of 5 per cent in the duties prescribed by law, to be levied, collected, and paid on such goods, wares, and merchandise.

Mr. FRYE. Mr. President——

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

Mr. ELKINS. I do.

Mr. FRYE. I hope the Senator does not offer that as an amendment to the pending amendment.

Mr. ELKINS. Not at all.

Mr. FRYE. This has been very carefully drawn and ought not to be amended in any particular.

Mr. ELKINS. I am not offering it as an amendment.

Mr. KEAN. I hope the Senator will let us vote on the pending amendment.

Mr. FRYE. Will the Senator let us vote on the amendment?

Mr. ELKINS. In a few minutes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts, on which the Senator from West Virginia has the floor.

Mr. ELKINS. Mr. President, during my early service in the Senate, more than ten years ago, in the year 1897, after a thorough study of the question of the decline of American shipping, I became convinced that something ought to be done in the way of legislation to build up and restore the same and get back our prestige on the sea, which we enjoyed for more than fifty years after the beginning of our Government, and which was brought about by the sound policy of protection to American shipping by discriminating duties. Accordingly, I introduced a bill in the Senate, which was substantially a copy of the bill introduced by James Madison, which became the second act of Congress and which was signed by President Washington.

This act, among other things, was designed to encourage American manufacturing and American shipping by increasing the duty 10 per cent on all goods, wares, and merchandise imported in foreign vessels. Under this act of Congress our merchants and importers at once set about to import all their goods in vessels of the United States, and this started in our important seacoast cities and towns American shipyards for building American vessels.

When I introduced this bill, I thought then, and I think now, that the policy of discriminating duties is the safest, surest, and least expensive way in which to encourage our shipping interests and build up our merchant marine. We protect all American industries and interests on land, but grant free trade in shipping to foreign nations and allow foreign ships to carry our commerce.

The St. Louis platform, which nominated President McKinley the first time, provided as follows:

We favor restoring the early American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign carrying trade.

In his letter of acceptance President McKinley used the following language:

The policy of discriminating duties in favor of our shipping, which prevailed in the early years of our history, should be again promptly adopted by Congress and vigorously supported until our prestige and supremacy on the seas is fully attained.

In 1815, following the war with Great Britain, we were induced by the statesmen of England to abandon the policy of discriminating duties, which had given us the carrying trade of the United States in American vessels, and grant reciprocal shipping to Great Britain and other nations. This marked the beginning of the decline of American shipping.

I call the attention of the Senate to the fact that in our coastwise and lake shipping we have always protected our shipping interests by not allowing any foreign vessel to take part in the same, and the result of this protection has been as great as the results following our protective policy on land. We have as fine ships as are in the world in our coastwise and carrying trade on our Great Lakes and rivers. We could by a proper policy not only carry our own commerce in American vessels, but we could have a large share in carrying the commerce of other nations.

The act of Congress for the protection of American shipping, introduced by James Madison, to which I have referred, provided on all goods, wares, and merchandise imported in vessels not of the United States an additional duty of 10 per cent ad valorem should be levied and collected. Under this act shipping flourished for fifty years until we carried 92 per cent of our commerce in American vessels.

I urged the passage of the bill I introduced in every way I could, but I could not resist the tremendous influence of our home and foreign shipping interest, which opposed it. I could not stand up against the influence of shipping interests valued at a thousand million of dollars, focused and concentrated at Washington, to prevent the passage of the bill I favored.

Foreign shipowners are determined to do the carrying business of the United States and stand ready to resist all efforts to avert it from them. Of course they do not want to surrender a business that pays them two thousand millions of dollars in ten years.

Since we abandoned discriminating duties by granting free trade in shipping to England in 1815 we have virtually done nothing to encourage or build up American shipping. And as time goes on we seem unwilling or unable to do anything to restore our prestige on the seas. Our statesmanship is equal to any emergency on land, but utterly fails when we come to the seas. We are pushed off the seas by some of the smallest countries in the world.

There are now 50,000,000 of shipping tonnage engaged in transporting our commerce, 7,000,000 American and 43,000,000 foreign tonnage. We carry about 7 or 8 per cent of our own commerce, and foreign vessels carry 93 per cent. This is a humiliating confession to make and surely one of which the American people can not be proud.

In bringing forward the amendment I have offered to the pending bill I have reversed the provisions of the act of 1796, introduced by Madison and signed by Washington, and provide there shall be a reduction of 5 per cent in all duties on goods, wares, and merchandise imported in American vessels. The amendment reads as follows:

On all goods, wares, and merchandise, and articles of every kind imported in ships or vessels of the United States there shall be allowed a reduction of 5 per cent in the duties prescribed by law, to be levied, collected, and paid on such goods, wares, and merchandise.

This offers a great inducement to our importers to bring all their goods, wares, and merchandise into the United States in American vessels, and costs the Government nothing—not a dollar. No one doubts American vessels would be sought by all shippers of imported goods. What a change this would work in a few years.

We would again see the American flag in all the seas of the world, and an American would not feel lonesome when traveling around the globe. We have everything to make us the greatest maritime nation in the world. Must we let American shipping languish and die, and wait for another generation of statesmen to grow up to do what we fail to do?

This would immediately tend to build up American shipping, in my judgment. The reduction of 5 per cent in the existing tariff would be in the direction of a revision downward, and a sufficient inducement to importers and merchants to secure American ships to haul their goods, wares, and merchandise. This would at once induce capital to build American ships, furnishing a market for materials of all kinds entering into shipbuilding, and the employment of thousands of wage-earners.

The United States can not become a great naval power unless it has a great merchant marine. No nation has ever been great on the seas which has not had at the same time a merchant marine.

The United States can not reach its full measure of greatness until it becomes potential on the sea as well as on the land. From her situation on the globe, her commanding position on the Atlantic and Pacific oceans and the Gulf of Mexico, she has, by reason of location and advantages, the opportunity to lead the maritime nations of the world, and nothing but neglect and the want of wise policy has put us in the position of having

virtually no shipping interests on the seas and no merchant marine.

The United States has about 8,000 miles of seacoast, we have the greatest lakes and rivers, and we are the most productive country in the world, leading all the world in natural resources, with a population of nearly 90,000,000 people. Surely, with all these advantages which we now have and enjoy, our shipping interests should no longer languish, but we should have the same success on the seas that we enjoy on land.

There is a radical defect somewhere in our policies. We have done nothing toward building up our merchant marine. Look at Germany, without comparatively any seacoast, compared with our seacoast, and yet she has built up her shipping and to-day hauls American products and Americans to all parts of the world.

What would be thought of rival merchants doing a vast business, where one merchant hauled and delivered the goods not only that he sold, but the goods which his rival bought and sold? This is the present situation of our shipping.

The United States should be the leading shipping nation of the world. We are connected by land with Mexico and South America; we have contiguous territory all the way to the farthermost end of South America; yet we have little or no relation by sea with these South American countries.

If we want to reach any of the South American republics, we must go by England and send our mails first to Europe.

Trade and commerce follow shipping and the mails.

We can never build up our trade and commerce with Mexico and South America until we have close shipping relations and intercourse by sea. No wonder Europe controls the commerce and trade of South America, because when we want to reach South America we have to go by way of England.

If Germany and England, situated as they are, with one-half the population, can by any policy or otherwise build up their commerce and power on the sea, why can not the United States?

The greatest tax upon American industries, American commerce, and American people is the money we pay to foreign shipowners to carry our commerce. We pay more than $500,000 every day to foreign shipowners to haul our goods, wares, and merchandise which we sell and buy. This is more than $200,000,000 annually, or two thousand millions in ten years.

We talk about the tax levied to carry on the Government through the tariff and complain of this and of our internal-revenue taxation, but submit complacently to this enormous tax of $500,000 every day for the last twenty-five years. Think of this enormous aggregate.

The proposition to reduce duties 5 per cent on all goods, wares, and merchandise which we import in American vessels would reduce duties, and in a certain sense this would be revising the tariff downward asked for by so many of our people, and in addition furnish an incentive to every person importing goods to at once seek American vessels, because it is profitable to do so. This demand for American vessels would lead to the building up of our merchant marine in every direction. The American vessels would be sought to bring all of our imports from South American countries, as well as from Mexico, and all the world would at once start us on the road to success on the sea without the expenditure of a dollar.

When I found I could not induce Congress ten years ago to pass the discriminating duty bill, which I brought forward and copied from Madison's bill, the second act of Congress, I afterwards voted with the friends of subsidies to aid American shipping, and although I did not think this the wisest and best course to pursue, I have voted for every measure looking to the upbuilding of our merchant marine.

We have always had protection on land. Why not have protection on sea? Discriminating duties is one form of protection, and was adopted just as soon as the Government went into operation, along with the policy of protecting and encouraging American industries on land.

We protect all American industries on land and grant free trade in shipping, which causes us to pay $500,000 a day or $200,000,000 annually to foreign ships to carry our commerce. One can go around the world without seeing the American flag on a merchant vessel.

The American flag is rarely seen in any of the ports of the world. Foreign ships in New York and other American harbors float a forest of foreign flags, and here and there only an American flag is seen flying at the head of an American merchant ship.

We complain in various forms of the internal revenue, state, and customs taxes, but are paying out $200,000,000 to foreign shipowners as an annual taxation, which at the end of ten years amounts to $2,000,000,000, and no one complains of our languishing industries on the seas and the retarding and hindrance to our commerce.

We have given our shipping to foreigners, and in doing so impaired our trade and commerce.

One point made against discriminating duties is it will interfere with established treaties between the United States and the leading nations of the world. Some of these treaties date back nearly a century. The treaty with Great Britain, following the war of 1812, is dated 1815. Most of these treaties are mere commercial conventions and can be abrogated or terminated by giving a year's notice.

These treaties have always been a detriment to the United States and have handicapped the building up of our merchant marine, and, to a certain extent, have hindered and injured the growing commerce of the United States and have only served foreign powers. They take from us and give nothing in return; they are one-sided and against American interests; they bring us no good results. Our interests on the seas should be encouraged, built up, and protected the same as our industries on land.

I will submit a list of these treaties that have long been made the excuse for not passing an act providing for discriminating duties in favor of American shipping.

Mr. ROOT. Mr. President, I hope the Senator from West Virginia will ask for a reference on this subject of his proposal to an appropriate committee, whether that should be the Committee on Commerce or the Committee on Foreign Relations. He broaches a very great question. His proposal would amount to a change in the policy of the United States, a return to the policy which was followed during the first quarter of the last century and which was abandoned. It would involve the termination, perhaps, or probably the violation, of a series of treaties. It ought not to be entered upon until after mature deliberation and discussion, and then let Congress change the policy if it should come to the conclusion that the benefits to be lost by denouncing a series of treaties would be less than the benefits which would be gained. Manifestly it is impossible to consider and pass upon the question proposed now.

Mr. ELKINS. Mr. President, I want to say a word about these treaties. I ask to insert a list of them in my remarks without reading. As I said, some of them are nearly a hundred years old.

The PRESIDING OFFICER. Without objection, that order will be made.

The matter referred to is as follows:

The treaties are fully set forth in the volume of Treaties and Conventions between the United States and Other Powers, 1776 to 1887, and are with the countries following, with important article in each one cited:

Argentina. Article V, April 19, 1855, page 9.
Austria-Hungary. Article II, February 10, 1831, page 23.
Belgium. Articles II, III, June 29, 1875, page 76.
Bolivia. Article IV, January 8, 1863, page 91.
Brazil. Article IV, March 18, 1829, page 106.
China. Article III, October 5, 1881, page 184.
Costa Rica. Article V, May 26, 1852, page 223.
Denmark. Article III, October 14, 1826, page 232.
Dominican Republic. Article VI, October 24, 1867, page 246.
Ecuador. Article IV, September 23, 1842, page 256.
France. Article V, February 12, 1823, page 344.
Great Britain. Article II, December 22, 1815, page 410.
Greece. Article II, August 30, 1838, page 502.
Guatemala. Article IV, July 28, 1852, page 509.
Germany (Hanover). Article I, April 24, 1847, page 523.
Germany (Hanseatic League). Article I, June 2, 1828, page 533.
Germany (Mecklenburg). Article I, August 2, 1848, page 654.
Germany (Prussia). Article II, March 14, 1829, page 917.
Haiti. Articles X and XI, July 6, 1865.
Hawaii. Article IV, November 9, 1850, page 541.
Honduras. Article V, May 30, 1865, page 567.
Italy. Article V, November 23, 1871, page 582.
Korea. Article V, June 4, 1883, page 218.
Liberia. Article III, March 18, 1863, page 632.
Madagascar. Article IV, March 13, 1883, page 644.
Mexico. Article V, April 5, 1832, page 665.
New Grenada. Article IV, June 12, 1848, page 196.
Netherlands. Article III, February 26, 1853, page 764.
Nicaragua. Article V, August 13, 1868, page 780.
Paraguay. Article V, March 12, 1860, page 831.
Peru. Article IV, July 27, 1874, page 877.
Portugal. Article II, April 24, 1841, page 82.
Prussia. Article II, May 11, 1833, page 39.
Russia. Article II, May 11, 1833, page 933.
Salvador. Article IV, March 13, 1874, page 958.
Spain (Cuba and Porto Rico). Article I, October 27, 1886, page 1203.
Sweden and Norway. Article II, January 19, 1828, page 1059.
Turkey. Article VIII, July 2, 1862, page 803.
Venezuela. Article VI, September 25, 1861, page 1132.

Seven of these treaties were made before 1830. Six in the decade ending 1840. Six were adopted in the ten-year period ending 1850. Four were made previous to our civil war, and fifteen have been made since 1860.

In entering into the treaties providing for maritime reciprocity the United States abandoned discriminating duties, which was the greatest protection American shipping ever enjoyed, and under which it prospered as it never has since. The true intent and meaning of these treaties was that as between the contracting powers ocean carrying should be free and reciprocal and in effect put upon an equal footing. The United States has observed the spirit of these treaties, and has rendered but little or no aid to take the place of the protection enjoyed under discriminating duties.

Mr. ELKINS. I do not believe there will be any difficulty about terminating the treaties. Such treaties are terminated between other countries of Europe where shipping interests are involved, and they should not stand in the way of building up our merchant marine and our success on the seas.

I do not know that the chairman of the Finance Committee would accept this amendment. If he did, I know that it would find favor immediately and pass the Senate. If it did not, it would be the first amendment the committee has agreed to that has failed.

Mr. ALDRICH. I will have to say to the Senator from West Virginia that the committee will not accept this amendment.

Mr. ELKINS. I had that idea, Mr. President.

I will say to the Senator from New York [Mr. ROOT] that at the next session of Congress I propose to introduce and have referred to the appropriate committee, which is the Committee on Commerce, a bill substantially incorporating the provisions of this amendment for the consideration of the Senate. I hope it will be favorably considered, because, it seems to me, this would help American shipping without any expense to the people.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Massachusetts.

The amendment was agreed to.

Mr. LODGE. I ask to have printed a statement drawn for the committee by the Commissioner of Navigation, explaining the details of the amendment.

The PRESIDING OFFICER. The Chair would inquire of the Senator from Massachusetts whether his request is to have the statement printed in the RECORD?

Mr. LODGE. Yes; in the RECORD simply.

The PRESIDING OFFICER. In the absence of objection, that order will be made.

The statement referred to is as follows:

SO-CALLED "RECIPROCAL TONNAGE-TAX EXEMPTIONS."

1. Section 11 (in part) and section 12 of the act of June 19, 1886 (see Appendix A), exempt from tonnage taxes in American ports vessels coming from foreign ports in which American ships are exempt from tonnage or light-house dues or equivalent taxes.

2. Theoretically the sections are based on the principle of reciprocity. Practically the principle is not applicable here, because American ships do so small a share of the foreign carrying trade of the United States. Tonnage taxes paid by foreign vessels in American ports last year amounted to $988,735.48, by American vessels to only $82,680.48. American ships thus paid less than 8 per cent of our tonnage taxes. World-wide reciprocity in this article, accordingly, could get only 8 per cent gain for American ships and must give 92 per cent gain to foreign ships. The percentage of American gain from abolition of tonnage taxes and light dues abroad would be even less.

3. A good argument can doubtless be made in favor of abolishing all tonnage taxes here, as taxes on international intercourse, if we could afford to surrender about $1,000,000 annual revenue. A good argument can doubtless be made for trading tonnage-tax exemption for some other kind of trade favor to American interests abroad. From the nature of the case no argument can be made in favor of reciprocal tonnage tax exemption.

4. The question is pertinent, because on May 28 the British House of Commons is to vote on a bill to abolish light dues in the United Kingdom. A similar bill was defeated in the House of Commons in April, 1903, by the close vote of 103 to 114, the Government opposing it. While the Government opposes the present bill, it seems to have a fair chance of passage, partly on the ground that it will secure American exemptions for British ships from the United Kingdom. Last year British ships from the United Kingdom paid in American ports $304,113.84; American ships, $8,581.08 (all others, $27,198). As British light dues are now virtually the same in rates as American tonnage taxes, under the arrangement we would give away 97 per cent revenue in return for 3 per cent American shipping gain.

PRESENT EXEMPTIONS.

Advantage has been taken of existing law by the following countries, provinces, or ports:

(*a*) Netherlands (since April 22, 1887). On the basis of entries for the past fiscal year, Dutch ships were exempt from $18,000 American tonnage taxes; other foreign ships from the Netherlands, $18,000; in all, $36,000. American vessels have not traded for years with the Netherlands, so there is no reciprocity here.

(*b*) Dutch East Indies (same date). On the basis of entries for the past fiscal year, foreign ships were exempt from about $8,000 tonnage taxes here. No American ships in this trade.

(*c*) Copenhagen, Denmark (since July 19, 1898). On the basis of entries for the past fiscal year, foreign ships were exempt from about $18,000 tonnage taxes. No American ships to Copenhagen.

In the three cases above, revenue aggregating from $60,000 to $65,000 annually is surrendered, in return for which American vessels get absolutely no corresponding benefit.

The rate imposed on vessels from Europe, Africa, Asia, Australasia, and South America below the Caribbean is 6 cents per net ton (100 cubic feet) for not over 5 entries a year, so the maximum is 30 cents. At this rate last year foreign ships paid $864,628.14; American ships, $37,130.22, or only about 4 per cent of the total.

REDUCTION OF NEAR-BY RATES.

The rate on vessels from foreign ports in North America, Central America, Mexico, West Indies, and Republics of Panama, Colombia, and Venezuela is 3 cents for 5 entries, a maximum of 15 cents per ton a year. At this rate last year foreign ships paid $124,107.34; American ships, $45,550.26, or nearly 27 per cent of the total. The total tax at this rate is $169,657.60. If reciprocal exemptions are abolished, we can afford to reduce this near-by rate from 3 cents to 2 cents, and from an annual total of 15 cents to 10 cents. That would reduce the total just stated by $56,552—more than covered by the $60,000 from the Netherlands, Denmark, and Dutch East Indies.

Under the 3-cent rate the present exemptions are:

(*a*) Islands of Montserrat, Guadeloupe, and Grenada in the West Indies, and Greytown in Nicaragua. The tonnage entered thence is small and not specifically stated in our statistics, and can be ignored.

(*b*) Republic of Panama. American tonnage entered in the United States last year, 172,661 tons; foreign, 395,299 tons. The American tonnage is almost exclusively the steamers of the government line to Colon. The propositions to abolish exemptions and fix a maximum annual of 10 cents in near-by trade would add about $1,500 to the expenses of the line and about $4,500 to foreign ships in this trade. There can be no American objection to this result.

(*c*) Republic of Colombia. American entries, 2,428 tons; foreign, 39,550. The proposed tax on American ships might be $250; on foreign steamers, perhaps $2,750. No American objection appears here.

(*d*) Province of Ontario. Vessels from the Province of Ontario are exmept, while those from the Province of Quebec paid last year $10,513.86. Our statistics do not separate entries from Ontario and Quebec, and the nature of the trades is different. The great bulk of entries from Ontario are car ferries making daily trips across the Lakes. Thus the *Marquette and Bessemer No. 2*, 1,484 net tons, run daily from Conneaut, near Cleveland, to Port Stanley. It would count in a year's aggregate for about 275,000 net tons, but the tonnage tax proposed would be only $148.40. Abolition of reciprocal exemptions with Ontario might add about $5,000 to expenses of American vessels and about $5,000 to Canadian vessels.

Section 4232 of the Revised Statutes, proposed to be repealed, reads:

"The mail steamships employed in the mail service between the United States and Brazil shall be exempt from all port charges and custom-house dues at the port of departure and arrival in the United States if, and so long as, a similar immunity from port charges and custom-house dues is granted by the Government of Brazil."

This section, of course, is a standing menace. Doubtless on the most-favored nation principle as long as this section stands the Cunard Company, for example, could secure exemption from tonnage taxes in the United States if the British Government would waive the company's light dues in England (and the same is true of the German and French mail steamships), to which our Post-Office Department already gives liberal sums.

Revenue summary.

	From foreign ships.	From American ships.
Increases:		
Netherlands	$36,000.00	
Dutch East Indies	8,000.00	
Copenhagen	8,000.00	
Panama	14,500.00	$1,500.00
Colombia	2,750.00	250.00
Ontario	5,000.00	5,000.00
	74,250.00	6,750.00
Decrease from 3-cent to 2-cent rate	41,369.11	15,183.42
Net results	+32,880.89	− 8,433.42

The net result will be on the basis of tonnage taxes for the past fiscal year a reduction of $8,433.42 paid by American vessels and an increase of $32,880.89 paid by foreign vessels, net increase in revenue $24,447.47.

The object of the amendment is not to increase revenue to this slight extent, but, keeping revenue as nearly as possible unchanged, to forestall the possibility of a heavy decrease in revenue under laws nominally reciprocal, but in fact not admitting of reciprocity.

TONNAGE TAX.

PROPOSED SECTION FOR TARIFF BILL.

SEC. —. (*a*) That section 11 of chapter 421 of the laws of 1886, approved June 19, 1886, as amended by section 1 of chapter 61 of the laws of 1888, approved April 4, 1888, be, and is hereby, amended to read sixty days after the passage of this act, as follows:

"SEC. 11. That section 14 of 'An act to remove certain burdens on the American merchant marine and encourage the American foreign carrying trade, and for other purposes,' approved June 26, 1884, be amended to read as follows:

"SEC. 14 That in lieu of the tax on tonnage of 30 cents per ton per annum imposed prior to July 1, 1884, a duty of 2 cents per ton, not to exceed in the aggregate 10 cents per ton in any one year, is hereby imposed at each entry on all vessels which shall be entered in any port of the United States from any foreign port or place in North America, Central America, the West India Islands, the Bahama Islands, the Bermuda Islands, or the coast of South America bordering on the Caribbean Sea, or Newfoundland. A duty of 6 cents per ton, not to exceed 30 cents per ton per month, is hereby imposed at each entry upon all vessels which shall be entered in the United States from any other foreign port, not, however, to include vessels in distress or not engaged in trade. Sections 4223 and 4224 and so much of section 4219 of the Revised Statutes as conflicts with this section are hereby repealed."

(*b*) That section 12 of chapter 421 of the laws of 1886, approved June 19, 1886, and section 4232 of the Revised Statutes are hereby repealed.

(*c*) That this section shall not be construed to amend or repeal section 2792 of the Revised Statutes as amended by section 1 of chapter 212 of the laws of 1908, approved May 28, 1908, or section 5 of the said chapter 212 of the laws of 1908, or section 2793 of the Revised Statutes.

APPENDIX A.

EXEMPTIONS FROM TONNAGE TAX.

The President of the United States shall suspend the collection of so much of the duty herein imposed on vessels entered from any foreign port as may be in excess of the tonnage and light-house dues, or other equivalent tax or taxes, imposed in said port on American vessels by the government of the foreign country in which such port is situated, and shall, upon the passage of this act, and from time to time thereafter as often as it may become necessary by reason of changes in the laws of the foreign countries above mentioned, indicate by proclamation

the ports to which such suspension shall apply and the rate or rates of tonnage duty, if any, to be collected under such suspension: *Provided further*, That such proclamation shall exclude from the benefits of the suspension herein authorized the vessels of any foreign country in whose ports the fees or dues of any kind or nature imposed on vessels of the United States, or the import or export duties on their cargoes, are in excess of the fees, dues, or duties imposed on the vessels of such country or on the cargoes of such vessels.

But this proviso shall not be held to be inconsistent with the special regulation by foreign countries of duties and other charges on their own vessels, and the cargoes thereof, engaged in their coasting trade, or with the existence between such countries and other States of reciprocal stipulations founded on special conditions and equivalents, and thus not within the treatment of American vessels under the most-favored-nation clause in treaties between the United States and such countries.

The President be, and hereby is, directed to cause the governments of foreign countries which, at any of their ports, impose on American vessels a tonnage tax or light-house dues, or other equivalent tax or taxes, or any other fees, charges, or dues, to be informed of the provisions of the preceding section, and invited to cooperate with the Government of the United States in abolishing all light-house dues, tonnage taxes, or other equivalent tax or taxes on, and also all other fees for official services to, the vessels of the respective nations employed in the trade between the ports of such foreign country and the ports of the United States.

The mail steamships employed in the mail service between the United States and Brazil shall be exempt from all port charges and custom-house dues at the port of departure and arrival in the United States if, and so long as, a similar immunity from port charges and custom-house dues is granted by the Government of Brazil.

THESE PRESERVED.

Vessels used exclusively as ferryboats, carrying passengers, baggage, and merchandise, shall not be required to enter and clear, nor shall the masters of such vessels be required to present manifests, or to pay entrance or clearance fees, or fees for receiving or certifying manifests, but they shall, upon arrival in the United States, be required to report such baggage and merchandise to the proper officer of the customs according to law.

Any passenger vessel engaged triweekly or oftener in trade between ports of the United States and foreign ports shall be exempt from entrance and clearance fees and tonnage taxes while such service triweekly or oftener is maintained.

Enrolled or licensed vessels engaged in the foreign and coasting trade in the northern, northeastern, and northwestern frontiers of the United States, departing from or arriving at a port in one district to or from a port in another district, and also touching at intermediate foreign ports, shall not thereby become liable to the payment of entry and clearance fees, or tonnage tax, as if from or to foreign ports; but such vessels shall, notwithstanding, be required to enter and clear.

Whenever it shall be made to appear to the satisfaction of the President of the United States that yachts belonging to any regularly organized yacht club of the United States are allowed to arrive at and depart from any foreign port and to cruise in the waters of such port without entering or clearing at the custom-house thereof and without the payment of any charges for entering or clearing, dues, duty per ton, tonnage taxes or charges for cruising licenses, the Secretary of Commerce and Labor may authorize and direct the customs authorities at the various ports and subports of entry of the United States to allow yachts from such foreign port belonging to any regularly organized yacht club thereof to arrive at and depart from any port or subport of the United States and to cruise in waters of the United States without the payment of any charges for entering or clearing, dues, duty per ton, or tonnage taxes, but the Secretary of Commerce and Labor may, in his discretion, direct that such foreign yachts shall be required to obtain licenses to cruise, in a form prescribed by him, before they shall be allowed under the provisions of this act to cruise in waters of the United States. Such licenses shall be issued without cost to such yachts and shall prescribe such limitations as to length of time, direction, and place of cruising and action, and such other particulars as the Secretary of Commerce and Labor may deem proper: *Provided*, That the privileges of this section shall not extend to any yacht built outside of the United States and owned, chartered, or used by a citizen of the United States unless such ownership or charter was acquired prior to February 5, 1897.

Mr. CURTIS. I propose an amendment, and ask that it be read and referred to the Committee on Finance.

The PRESIDING OFFICER. The Senator from Kansas offers an amendment, which will be read.

The SECRETARY. Add to the bill the following proviso:

Provided, That if there be imported into the United States crude petroleum produced in any country which imposes a duty on petroleum exported from the United States, there shall in such cases be levied, paid, and collected a duty upon said petroleum so imported one-half of the duty imposed by such country.

Mr. CURTIS. I ask that the amendment be printed and referred to the Finance Committee.

The PRESIDING OFFICER. That order will be made.

Mr. SMOOT. I offer certain amendments to the bill as a report from the committee, sections 10, 11, 12, 13, 14, 15, and 16, relating to the tobacco tax.

The PRESIDING OFFICER. The Senator from Utah, on behalf of the committee, offers amendments, which will be read. The Chair suggests that the sections be left blank.

Mr. SMOOT. I numbered them, thinking they would come in regular order.

Mr. BAILEY. I desire to ask the Senator if it is the expectation of members of the committee to proceed to-day to the consideration of these amendments?

Mr. SMOOT. That is the purpose.

Mr. BAILEY. Or is it intended to print them and take them up afterwards?

Mr. SMOOT. I will state to the Senator from Texas that within thirty minutes we will have the amendments here from the Printing Office and they will be upon the desks of Senators.

Mr. BAILEY. They have already been sent to the Printing Office?

Mr. SMOOT. They have already been sent to the Printing Office, and I am informed they will be back in thirty minutes. They were sent some time ago.

The PRESIDING OFFICER. The amendments will be read.

The SECRETARY. Add to the bill the following new sections:

SEC. 10. That section 3362 of the Revised Statutes of the United States, as amended by subsequent acts of March 1, 1879, January 9, 1883, and April 12, 1902, be amended to read as follows:

"All snuff in packages containing one-half, 1, 1½, 1¾, 2, 2½, 3, 3½, 4, 6, 8, and 16 ounces, or in bladders and in jars containing not exceeding 20 pounds. All fine-cut chewing tobacco, cavendish, twist, and plug tobacco, and all other kinds of tobacco not otherwise provided for, in packages containing one-half, 1, 1½, 1¾, 1⅞, 2, 2½, 3, 3½, 4, 6, 8, and 16 ounces, except that fine-cut chewing tobacco may, at the option of the manufacturer, be put up in wooden packages containing 10, 20, 40, and 60 pounds each. All smoking tobacco and all cut and granulated tobacco other than fine-cut chewing, all shorts, the refuse of fine-cut chewing, which has passed through a riddle of 36 meshes to the square inch, and all refuse scraps, clippings, cuttings, and sweepings of tobacco in packages containing one-half, 1, 1½, 1¾, 1⅞, 2, 2½, 3, 3½, 4, 6, 8, and 16 ounces each."

All cavendish, plug, and twist tobacco, in wooden packages not exceeding 200 pounds net weight.

And every such wooden package shall have printed or marked thereon the manufacturer's name and place of manufacture, the registered number of the manufactory, and the gross weight, the tare, and the net weight of the tobacco in each package: *Provided*, That these limitations and descriptions of packages shall not apply to tobacco and snuff transported in bond for exportation and actually exported: *And provided further*, That perique tobacco, fine-cut shorts, the refuse of fine-cut chewing tobacco, refuse scraps, clippings, cuttings, and sweepings of tobacco, may be sold in bulk as material, and without the payment of tax, by one manufacturer directly to another manufacturer, or for export, under such restrictions, rules, and regulations as the Commissioner of Internal Revenue may prescribe: *And provided further*, That wood, metal, paper, or other materials may be used separately or in combination for packing tobacco, snuff, and cigars, under such regulations as the Commissioner of Internal Revenue may establish.

SEC. 11. That section 3368 of the Revised Statutes of the United States, as amended, be, and the same is hereby, amended, so as to read as follows:

"Upon tobacco and snuff manufactured and sold, or removed for consumption or use, there shall be levied and collected the following taxes:

"On snuff, manufactured of tobacco or any substitute for tobacco, ground, dry, damp, pickled, scented, or otherwise, of all descriptions, when prepared for use, a tax of 8 cents per pound. And snuff flour, when sold, or removed for use or consumption, shall be taxed as snuff, and shall be put in packages and stamped in the same manner as snuff.

"On all chewing and smoking tobacco, fine-cut, cavendish, plug, or twist, cut or granulated, of every description; on tobacco twisted by hand or reduced into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument, and without being pressed or sweetened; and on all fine-cut shorts and refuse scraps, clippings, cuttings, and sweepings of tobacco, a tax of 8 cents per pound."

SEC. 12. That section 3392 of the Revised Statutes of the United States, as amended by section 32 of the act of October 1, 1890, be amended to read as follows:

"All cigars weighing more than 3 pounds per thousand shall be packed in boxes not before used for that purpose containing, respectively, 5, 10, 12, 13, 25, 50, 100, 200, 250, or 500 cigars each; and every person who sells, or offers for sale, or delivers, or offers to deliver, any cigars in any other form than in new boxes as above described, or who packs in any box any cigars in excess of or less than the number provided by law to be put in each box, respectively, or who falsely brands any box, or affixes a stamp on any box denoting a less amount of tax than that required by law, shall be fined for each offense not more than $1,000, and be imprisoned not more than two years: *Provided*, That nothing in this section shall be construed as preventing the sale of cigars at retail by retail dealers who have paid the special tax as such from boxes packed, stamped, and branded in the manner prescribed by law: *And provided further*, That every manufacturer of cigarettes shall put up all the cigarettes that he manufactures or has manufactured for him and sells or removes for consumption or use, in packages or parcels containing 10, 15, 20, 50, or 100 cigarettes each, and shall securely affix to each of said packages or parcels a suitable stamp denoting the tax thereon, and shall properly cancel the same prior to such sale or removal for consumption or use, under such regulations as the Commissioner of Internal Revenue shall prescribe; and all cigarettes imported from a foreign country shall be packed, stamped, and the stamps canceled in like manner, in addition to the import stamp indicating inspection of the custom-house before they are withdrawn therefrom."

SEC. 13. That section 3394 of the Revised Statutes of the United States, as amended, be, and the same is hereby, amended, so as to read as follows:

"Upon cigars and cigarettes which shall be manufactured and sold, or removed for consumption or sale, there shall be assessed and collected the following taxes, to be paid by the manufacturer thereof: On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, $3 per thousand: *Provided*, That on such cigars of a wholesale value or price of more than $75 per thousand and not exceeding $110 per thousand, the tax shall be $6 per thousand; and on such cigars or cigarettes of a wholesale value or price of more than $110 per thousand, the tax shall be $9 per thousand; on cigars, made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 75 cents per thousand; on cigarettes, made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, $3.60 per thousand; on cigarettes, made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, $1.25 per thousand: *Provided*, That all rolls of tobacco, or any substitute therefor, wrapped with tobacco, shall be classed as cigars; and all rolls of tobacco, or any substitute therefor, wrapped in paper or any substance other than tobacco, shall be classed as cigarettes.

"And the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall provide dies and stamps for cigars weighing not more than 3 pounds per thousand; and for cigarettes at the rates of tax imposed by this section: *Provided*, That such stamps shall be in denominations of ten, fifteen, twenty, fifty, and one hundred; and the laws and regulations governing the packing and removal for sale of cigarettes and the affixing and canceling of the stamps on the packages thereof shall apply to cigars weighing not more than 3 pounds per thousand.

SEC. 14. That none of the packages of smoking tobacco and fine-cut chewing tobacco, cigarettes, or snuff prescribed by law, or any cigar or package of cigars or other package of tobacco prescribed by law, shall be permitted to have packed in or attached to or connected with the same any article or thing whatsoever other than the wrappers and labels of the manufacturers or persons, orders, or organizations making or producing the same, the internal-revenue stamp, and the tobacco, snuff, cigarettes, or cigars, respectively, put up therein, on which the tax is required to be paid under the internal-revenue laws; nor shall there be affixed to or branded, stamped, marked, written, or printed upon said packages or their contents any promise or offer of, or any order or certificate for, any money, gift, prize, premium, payment, or reward. And such labels shall truly state the bona fide owner, proprietor, and manufacturer.

SEC. 15. That no such packages, when emptied, nor any part of them, nor anything attached to such packages, shall be received by any manufacturer of tobacco, snuff, cigars, or cigarettes in lieu of coupons or in consideration of anything of value.

SEC. 16. That the provisions of sections 10, 11, 12, 13, 14, and 15 of this act shall not take effect until July 1, 1910.

Mr. SMOOT. Mr. President, those sections perhaps will be hereafter arranged, as I stated in offering them.

Mr. DANIEL. Mr. President, I ask that the entry on the Senate Journal be read as to this report. I want to test the record as to whom the report is made by.

Mr. SMOOT. I offered the amendments in behalf of the Finance Committee.

Mr. DANIEL. So I understand; but I want to have the entry read.

The PRESIDING OFFICER. The Senator from Virginia makes what request?

Mr. DANIEL. I rise to a question of privilege and to a point of order and deny the fact that the Finance Committee has made any such report. I dispute the assertion of the acting chairman.

Mr. SMOOT. Then I will offer these amendments——

Mr. DANIEL. Let me get through first, if you please. I have the floor.

Mr. SMOOT. Very well.

Mr. DANIEL. The Committee on Finance has made no such report as that. It is simply an addition to the bogus reports that have been from time to time handed in to the Senate as on behalf of the Finance Committee. I ask that the record may be read as to whom this report was made by, and in what behalf.

The PRESIDING OFFICER. The Secretary will read as requested. As the Chair understands, the Senator from Utah [Mr. SMOOT] submitted the amendments, stating that they were submitted on behalf of the Committee on Finance. The Chair thinks that is the record.

Mr. DANIEL. I had the honor, Mr. President, to be appointed a member of the Finance Committee. There has been no meeting of that committee; there has been no such report; and I dispute the fact that the committee has made any such report or authorized any such report to be made to the Senate.

I rise to a point of order, that no such report has been made by the Finance Committee, and also to a question of privilege, that, if there has been any meeting of the committee, every member of that committee had a right to be notified to attend such committee meeting, and to vote for or against any amendment which is floated into the Senate under the name of the committee.

Mr. ALDRICH. Mr. President——

Mr. DANIEL. I have not quite gotten through, if you please. I also desire to offer the resolution which I send to the desk.

Mr. ALDRICH. Let the resolution be read for information.

The PRESIDING OFFICER. The pending question is upon the first amendment proposed by the Senator from Utah [Mr. SMOOT]. The Senator from Virginia offers a resolution, which will be read for the information of the Senate.

The Secretary read the resolution (S. Res. 65), as follows:

Senate resolution 65.

Resolved, That every member of a committee appointed by the Senate has the right to be notified of all meetings of the committee to which he belongs, and the right to vote upon every proposition referred to the committee by the Senate or reported by the committee for action.

Mr. ALDRICH. I suggest that it is not proper to offer a resolution of that kind at this time.

Mr. DANIEL. Mr. President, the Senator from Rhode Island said the resolution might be read for information. I wish to state that I offer that resolution by authority of all the Democrats who have the honor to be Members of this body. There was a unanimous expression of their opinion that I should present this resolution, including the five members of the Finance Committee, who feel, as they expressed it to me, as if they had been abused and interfered with in the exercise of their legitimate functions of office. They feel that they have as much right to attend a committee meeting as they have to attend the sessions of the Senate. They feel that anyone who trespasses upon, impedes, stands in the way of, or attempts to circumvent their attendance upon committee meetings is intrusive upon the Government of the United States and impugning it in its sovereign character. I offer that resolution and shall call it up as soon as I may, so that the Senate may, by a yea-and-nay vote—if it is possible for me to get one—express itself as to its sense of its own integrity and its own functions. I will not now go any further into the argument whatsoever. The Senate has heard it time and again.

Now, I will hear, if he has anything to say, what the Senator from Utah [Mr. SMOOT] says as to reporting these amendments as from a committee.

The PRESIDING OFFICER. Does the Senator from Virginia desire the resolution to be printed and lie on the table, subject to call?

Mr. DANIEL. I should like to be heard just as soon as I can.

The PRESIDING OFFICER. The resolution will be printed.

Mr. ALDRICH. It is not in order.

Mr. SMOOT. Mr. President, does the Senator from Virginia desire me to explain as to how this amendment has been reported?

Mr. DANIEL. You have brought that amendment into the Senate; it stands upon the record as reported by a committee; and I have risen and disputed that fact.

Mr. SMOOT. Mr. President, I will simply say to the Senator from Virginia that the majority of the Committee on Finance have instructed me to report these amendments to the Senate. The Senator knows that there was a subcommittee appointed to consider this tobacco question——

Mr. DANIEL. I do.

Mr. SMOOT (continuing). He being a member of that committee. A majority of that subcommittee decided and agreed upon the rates as provided in these amendments.

Mr. DANIEL. I am not disputing that.

Mr. SMOOT. The majority of the subcommittee reported to the majority of the members of the Finance Committee, and it was agreed by a majority of the Finance Committee that the amendments should be reported as I have reported them.

Mr. DANIEL. It was simply a private meeting of the majority of the committee.

Mr. SMOOT. I do not agree that it was a private meeting.

Mr. DANIEL. Did they instruct you to make the report as a report of the committee?

Mr. SMOOT. They instructed me to report the amendments in behalf of the committee. Mr. President, I will state further that this morning I told the Senator from Virginia just exactly what the rates were and just what we intended to report.

Mr. DANIEL. I am not discussing that. That has nothing to do with this matter.

Mr. SMOOT. And the Democratic members of the subcommittee were informed as to just what the report would be and what the rates were which the amendments would carry.

Mr. ALDRICH. Mr. President——

Mr. DANIEL. I raise no issue about that.

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

Mr. DANIEL. Yes.

Mr. ALDRICH. Mr. President, I take it for granted that it is quite immaterial in what form these amendments come into the Senate. If the Senator from Virginia prefers that they should be offered by the Senator from Utah [Mr. SMOOT] or by myself, certainly I have no objection to that course being pursued. I certainly would not like to have the public business delayed, indefinitely at any event, in discussing questions of procedure.

Mr. DANIEL. Mr. President, the Senator from Rhode Island becomes impatient——

Mr. ALDRICH. I will suggest that the record be changed to read that these amendments were presented by the Senator from Utah.

Mr. DANIEL. Mr. President, the Senator from Rhode Island becomes impatient about delays as soon as he wants to do anything. He is absolutely neglectful of any delays which he himself may cause by keeping information from the members of the committee of which he is chairman, and whose every right should be subserved by him as their chairman, as well as the chairman of the particular clique which he gathers around him to report things or put on conditions when he wants them reported.

That is not the way for the laws of the United States to be administered; that is not the way in which they can be administered with due regard to the obligations of Senators or with due regard to the sanctions and obligations of office.

The Senator now admits that he was not charged by any committee with the reporting of those amendments, and that they are mere personal amendments, talked about by certain Senators, who met by themselves and who made him their spokesman. Of course I can do no more than prove what I said, that they are not amendments offered by any committee whatsoever. Whatever of private matters may be done I do not concern myself about, because it is no part of the public business; but many another amendment has come here under the same false color that the pending amendments have come here, bogus

amendments, introduced before the Senate as official papers, which had no sanction, no authority, no guise of authenticity or legality.

Mr. CULBERSON. Mr. President, the Senator from Utah [Mr. SMOOT], according to what the record will show, I believe, presented a number of amendments as if they were amendments presented by the Committee on Finance. The Senator from Virginia [Mr. DANIEL] challenged the statement that the amendments were presented by the Committee on Finance. I understood the Senator from Rhode Island [Mr. ALDRICH] to rise and ask that the record be changed.

The PRESIDING OFFICER. If the Senator from Texas will permit, the Chair will state that previous to that statement on the part of the Senator from Rhode Island, the Senator from Utah suggested that in view of the challenge he would offer them in his own name and in his own right.

Mr. CULBERSON. I understand that; I recall that; but, unless I misunderstood the language of the Senator from Rhode Island, he asked that the record be changed to the extent of showing that the Senator from Utah had presented this matter in his own right. Now, if I am correct as to that, I object.

Mr. ALDRICH. I did not mean the CONGRESSIONAL RECORD. I meant that the record on the amendment itself should show that it was offered by the Senator from Utah.

Mr. CULBERSON. I object to that, Mr. President. Of course I do not object to the Senator from Utah or the Senator from Rhode Island stating now that, instead of presenting the amendments on behalf of the committee, they present them individually, but I object to the correction or changing of the record so as to leave out the pertinency of the remarks of the Senator from Virginia.

Mr. ALDRICH. Mr. President, there is no use in disguising or walking around the fact that these amendments are suggested here in behalf of a majority of the Committee on Finance. This is the same old question that we have been discussing over and over again.

Mr. CULBERSON. That, however, was not the statement of the Senator from Utah. He said he presented them on behalf of the committee. The Senator from Virginia asked the distinct question, and it was stated in that form, and the present occupant of the chair made the statement from the chair.

Mr. President, having expressed myself upon that point, I call the attention of the Senator from Rhode Island and the Senator from Utah to the fact that, speaking for myself alone, these are very important amendments. They have not, as I understand, been submitted to the members of the Finance Committee nor to the members of the subcommittee on this side of the Chamber. It has been stated to them, I understand, in substance, what those amendments would be, but the amendments themselves have not been submitted. Now, it occurs to me that the amendments ought to be printed and we ought to have an opportunity to examine them. I say that notwithstanding the fact, Mr. President, that all of us are anxious to have a vote on these matters and have them disposed of.

Mr. ALDRICH. If we can save discussion or save time, I have no objection to the amendments being printed and taking them up in the Senate after the bill reaches the Senate, if that is preferable. I am extremely anxious to avoid discussion so far as possible.

Mr. BAILEY. Mr. President, I am willing for the amendments to be offered in the Senate, but I am not willing for them to be adopted here without discussion.

Mr. ALDRICH. That was not my suggestion. I suggested that they be printed and go over, and that they be offered in the Senate.

Mr. CULBERSON. I have no objection to that, Mr. President, if it is agreeable to the members of the Finance Committee on this side of the Chamber; but the Senate ought at least to have the amendments printed, to have an opportunity to examine them, and to compare them with the law and with the proposal of the House bill.

Mr. ALDRICH. Mr. President, as the Senator from Texas knows, we are all extremely anxious—and I am sure he shares in that anxiety——

Mr. CULBERSON. I have already stated that I did.

Mr. ALDRICH. To get ahead as fast as possible. With a view of aiding him in that way, I will consent that the amendments shall be printed and that they shall be offered in the Senate.

Mr. CULBERSON. Instead of in the Committee of the Whole?

Mr. ALDRICH. Instead of in the Committee of the Whole. I see no objection to that. I am quite willing, of course, that the question of whether they are offered by a majority of the committee or by the full committee shall be waived, and that we shall wait until the bill gets into the Senate for the consideration and disposition of these amendments.

Mr. BACON. I want to say just one word in that connection, not to detain the Senate more than two or three minutes. We all know, of course, the contention which has been made by the majority of the committee, that in the framing of the tariff bill, it being more or less of a political measure, the majority would frame the bill without any consultation with the minority. Without stopping to discuss the propriety of that at all, it does seem to me that, when it came to the other features of this bill, out of proper respect for their colleagues on this side of the Chamber, they ought to have been called in, not simply to be told what had been done, but to confer with them, especially in view of the fact——

Mr. ALDRICH rose.

Mr. BACON. If the Senator will pardon me until I finish the sentence. Especially in view of the fact that a very large proportion of the industry which is to be affected by these amendments is an industry represented on this floor almost exclusively by the minority of this body; and yet they were not called in and not consulted about it. It does not seem to me to be treating them with proper respect.

Mr. SMOOT obtained the floor.

Mr. SIMMONS. I ask the Senator from Utah to yield to me for a moment.

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

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

Mr. SIMMONS. Mr. President, as a member of the subcommittee, I think that I ought to make a statement for the purpose of correcting the statement made by the Senator from Utah, which, if uncorrected, might be misleading.

The Senator said that the subcommittee had considered and acted upon this matter. The subcommittee, Mr. President, as a whole were asked to attend several hearings, and we did attend the hearings, which, I want to say now, in my judgment, were very meager, insufficient, and inadequate when you consider the great importance of the matter involved; but after we had been invited to the hearings and attended them with the same diligent attention that the majority members of the subcommittee did, we were utterly ignored by the majority members when they took up the consideration of the question of what action they would take as a result of the investigation and hearings. They met to themselves; they decided what they would do; and after they had reached a conclusion, they very graciously informed the minority members of the subcommittee what they had decided upon.

I have said, Mr. President, that the hearings were very inadequate. The hearings as to a part of the matters involved in these voluminous amendments were sufficient; but as to the main question—the question of the greatest difference of opinion, the question which will arouse the greatest interest on this side of the floor, the question which chiefly affects the great tobacco industry of many of the Southern States—it has had before that subcommittee practically no hearing or investigation at all. Not only that, Mr. President, we were only advised this morning as to what determination the majority members of the subcommittee had reached, and we have had no opportunity up to this time to investigate, as we should like to do, the questions of grave importance involved in the amendments.

I trust that Senators on the other side, who have brought in this proposition here at the very end of this discussion, will not insist upon precipitate action. I have no complaint to make in regard to forcing action upon this matter, provided we are given sufficient time to present the views of this side of the Chamber upon that question. It is impossible for us, I think, adequately and properly to represent the interests involved if this discussion shall be entered upon to-day or probably to-morrow. Of course, it is better, I think, that the amendments should be offered in the Senate than to be forced to a consideration of them to-day; but if those are the best terms we can secure, of course we will have to accept them. I would prefer, however—and I think we are entitled to ask—that the matter go over, that the amendments be printed, and that we take up their discussion to-morrow or the next day in Committee of the Whole, just in the way we have treated other questions.

Mr. ALDRICH. I suppose the Senator means in the Senate.

Mr. SIMMONS. No; I said that I would prefer that we would discuss this in Committee of the Whole, as we have other matters, provided the Senator from Rhode Island will agree not to take up the matter to-day. Of course if he insists upon taking it up to-day——

Mr. ALDRICH. With the exception of this matter, the consideration of the bill is absolutely completed as in Committee of the Whole.

Mr. SIMMONS. The Senator ought not to insist upon completing the bill without giving reasonable opportunity to discuss so important a matter as this.

Mr. ALDRICH. I think the Senator entirely misapprehends my purpose. I said to the Senator from Virginia [Mr. DANIEL]

that I was quite willing to have the amendments printed and go over to the Senate; and I am willing, if Senators desire, to call a meeting of the full Finance Committee and give them an opportunity to express their opinions, and also, if they see fit so to do, to their associates as to this matter between now and the time when the amendments are taken up in the Senate. There is no disposition on my part——

Mr. SIMMONS. When does the Senator expect it to be taken up? Does he expect the bill to get into the Senate to-morrow?

Mr. ALDRICH. To-morrow, probably. I hope the bill will be in the Senate within fifteen minutes. That is my expectation.

Mr. SIMMONS. If it goes to the Senate to-day, the Senator will not insist on acting on this amendment?

Mr. ALDRICH. Certainly not. I will have it go over until to-morrow morning, and will call a meeting of all the members of the committee.

Mr. SIMMONS. In no event will the Senator ask for action on the amendment to-day?

Mr. ALDRICH. No.

Mr. McLAURIN. Is there any difference between the rules that govern debate in the Senate and those that govern debate in the Committee of the Whole?

Mr. ALDRICH. None whatever. It is simply more or less of a fiction. We go from the Committee of the Whole into the Senate, and everything is exactly the same in the Senate as it is here. Each Senator has his rights. I assure the Senator from North Carolina that we will not take it up to-day, but we will try to have a meeting of the committee and see if there is anything we can do.

Mr. SIMMONS. I will say to the Senator that there are a number of Senators on this side of the Chamber who regard this proposition as one of very great importance, and who do not wish to be either hurried or curtailed in any way in the discussion.

Mr. ALDRICH. The Senator from North Carolina will understand that this matter came into the Senate not very long ago, and that the committee appointed a subcommittee, of which the Senator from Virginia [Mr. DANIEL] and the Senator from North Carolina [Mr. SIMMONS] were members. That subcommittee was selected by me with an idea of having upon it a perfectly fair representation from the tobacco States.

I realize the importance to those States of this question; and there is no disposition on the part of myself or the Senator from Utah or anyone else to prevent discussion or prevent the greatest freedom of action upon the subject that is consistent with the lateness of the session, and the fact that every Member of the Senate, I think, is very anxious to get away from here and have the matter disposed of.

Mr. SIMMONS. I should like to say to the Senator from Rhode Island, if the Senator from Utah will indulge me just a minute, that I was myself very much surprised at the abruptness and suddenness with which the hearings before the subcommittee were broken off. I said a little while ago that, in my judgment, there had been no adequate hearings upon the chief one of these amendments, the one involving the greatest interests. The first hearing held by the subcommittee—and I think I ought to say this in view of what the Senator has just said—was confined almost exclusively to the question of coupons. The parties appearing before the committee were given to understand at that hearing that the committee did not wish to take up any of the other matters affecting tobacco. The investigation was confined largely—almost entirely—to the matter of coupons.

Mr. SMOOT. Mr. President, the Senator from North Carolina will certainly remember that at that hearing Mr. Yerkes appeared, and he took most of the time upon the subject of coupons.

Mr. SIMMONS. The other witnesses spoke upon that subject, too.

Mr. SMOOT. Yes; and after he got through with his statement we took up the question of snuff.

Mr. SIMMONS. Yes.

Mr. SMOOT. We then took up the question of the rate on tobacco, and all the independent tobacco manufacturers present—some 28 of them—objected to any increase on tobacco.

Mr. SIMMONS. My understanding is that there has been very little, if any, hearing with reference to the increase of the tax on tobacco.

There was a good deal with reference to the coupon matter, and there was a good deal with reference to cigars and snuff, but practically nothing with reference to the increase of the duty on tobacco. Yesterday, when we met, that question was taken up and discussed to some extent. A number of the gentlemen who appeared before the committee said that they did not know until late Saturday evening that there was to be a hearing with reference to the increase of the tariff on tobacco; and one gentleman, claiming to represent the tobacco growers of a certain county in Pennsylvania that produces a large quantity of filler tobacco, stated that the information came to him so late—I think he was an officer in one of the associations up there—that the only opportunity he had had to communicate with the tobacco growers in his county was over the long-distance telephone, and he had hurried here, unprepared, to represent their interests. There was nothing said at that meeting which indicated that the hearings were absolutely closed. I expected that they would be resumed this morning. Greatly to my astonishment, they were not resumed this morning, but the minority members of the subcommittee were notified of what the majority members had decided to do.

I think I should be derelict in my duty to my constituents, who are largely interested in the tobacco industry, if I did not state that I do not feel that the tobacco growers have had a sufficient or a fair opportunity to present their views in opposition to this increase in the tax on tobacco.

I desire to repeat, if the Senator will indulge me long enough to let me say it, that while I am not disposed to make any very great opposition to many of the provisions of this amendment, the provision which proposes to increase the tax on tobacco from 6 to 8 cents is in a different category from the others. There is in my State, so far as I have been able to ascertain the sentiment and so far as it has been conveyed to my mind through the medium of resolutions and letters and personal information, an absolute unity of opinion against this increase, as being an additional burden laid upon the tobacco industry of the State. I shall at the proper time present resolutions opposing this tax from the boards of trade of nearly all the towns in my State that are engaged in the manufacture of tobacco. I shall also present the views of the producers of tobacco in my State, if I have time to do so.

The PRESIDING OFFICER. The amendments submitted by the Senator from Utah will be printed. The bill is still in Committee of the Whole.

Mr. GORE. Mr. President, I desire to ask a question of the Senator from Utah with respect to the amendments he has reported. If I understood correctly in the confusion, one of them provides that cigars shall be packed and sold in new boxes. I should like to ask the Senator if that is correct?

Mr. SMOOT. In new boxes?

Mr. GORE. Yes.

Mr. SMOOT. The amendment is in the exact words of the present law in relation to the boxes in which cigars are to be packed.

Mr. GORE. That is the provision of the present law. I wish to ask the Senator if he does not think it will be possible for the committee to work out a provision under which boxes can be used more than once? And if they do not desire to do so, I shall submit an amendment providing that these boxes may be used again, under rules and regulations to be prescribed by the Secretary of the Treasury.

Mr. SMOOT. Every officer of the Internal-Revenue Service whom we have had before us or with whom I have talked personally has said that that is an absolute impossibility and would, no doubt, lead in the end to defrauding the Government of a great deal of revenue.

Mr. GORE. I made the suggestion for this reason: The price of these cigar boxes is a dead loss to the retail dealers in tobacco in the country. As I understand, there are only two concerns engaged in the manufacture of cigar boxes on any considerable scale, and the necessity of invariably using new boxes is a calamity to the cigar manufacturers. It seems to me it serves no good public purpose, and that rules and regulations might be prescribed by the Secretary which would relieve the small manufacturers of cigars and the retail dealers in cigars, and would injure no one except two or three concerns engaged in the manufacture of the boxes, which now enjoy a legalized monopoly. It might also result in conserving our forests.

Mr. SMOOT. I wish to say, in answer to the Senator from North Carolina [Mr. SIMMONS], that, as he well knows, the subcommittee was crowded for time. I should have had a meeting of the subcommittee last evening if it had been possible. I spoke to the Senator from Virginia on the subject, but he said it was so late that he would prefer to have a meeting this morning at 9 o'clock. During the sessions of the Senate, whenever time has permitted, we have had sessions of the subcommittee. I believe that both the Republican and the Democratic members of the subcommittee have virtually agreed upon the provisions of all of these amendments, with the single exception of the advance tax on tobacco and snuff.

Mr. BAILEY. Did I understand the Senator to say that all the members of the committee had done that?

Mr. SMOOT. I said the members of the subcommittee.

Mr. BAILEY. Oh, the subcommittee! I never will agree to an increase in the tobacco tax.

Mr. SMOOT. Mr. President, we leave the rate on cigars as now, at $3 per thousand. The little cigars, or cigars that weigh less than 3 pounds, we increase from 54 cents per thousand to 75 cents per thousand. In the case of the cigarettes that were taxed at the rate of 54 cents or $1.08, according to their value, the amendment provides for a tax of $1.25. As to the cigarettes weighing over 3 pounds, the amendment provides for a tax of $3.60 a thousand, as against the present rate of $3. As to snuff of all descriptions, the present amendment provides for a tax of 8 cents per pound instead of 6; and in the case of tobacco of all descriptions a tax of 8 cents per pound instead of 6 is provided.

As I understand the Senator from Virginia and the Senator from North Carolina oppose the advance from 6 cents to 8 cents on tobacco and have done so from the beginning. No matter how many hearings we might have had, I do not believe they would have consented to the advance. The Senator from Virginia nods assent to that. That is as I understood the situation. I have made this report, and the majority members of the Finance Committee have approved it; and I offered the amendments as stated before.

Mr. ALDRICH. In accordance with the understanding that I suppose has been reached all along, I ask that the further consideration of this amendment go over, to be taken up in the Senate at the proper time. And I ask now, if there is no further amendment, that the bill may be reported to the Senate.

Mr. DANIEL. Mr. President, I desire to offer an amendment to the bill in the Committee of the Whole. In paragraph 429, lines 21 and 22, I move to strike out the words:

The weight on all the foregoing to include all coverings, wrappings, and packing material.

That is in the provision on firecrackers and fireworks.

Mr. ALDRICH. I do not understand the amendment.

Mr. DANIEL. I move to strike out, in lines 21 and 22, page 172, paragraph 429, the words:

The weight on all the foregoing to include all coverings, wrappings, and packing material.

There is a tax on the subjects-matter of fireworks, roman candles, and so forth, of 12 cents a pound, and the law at present reads:

The weight on all the foregoing to include all coverings, wrappings, and packing material.

Mr. ALDRICH. That is the same as the present law.

Mr. DANIEL. That may be; but I do not think it is a good law.

Mr. ALDRICH. It seemed to me that these articles could afford to pay a little higher rate of duty; and this seems to me to be a very good subject for revenue. If the duties on the wrappings were taken off, it would reduce the duties very largely, and I hope the amendment of the Senator from Virginia will not be adopted.

The VICE-PRESIDENT. The Secretary will report the amendment offered by the Senator from Virginia.

The SECRETARY. Page 172, lines 21 and 22, after the word "pound," strike out the semicolon and the following words:

The weight on all the foregoing to include all coverings, wrappings, and packing material.

Mr. DANIEL. Just a sentence or two, Mr. President, on that subject.

Of course what are known as "fireworks"—Roman candles, rockets, and so forth—have to be very carefully packed. They are liable to catch fire by friction. Consequently, the wrappers around them may be very considerable in weight and very considerable in substance. There has been a great deal of complaint from the American makers of fireworks, which has been communicated to me, that they ought not to be taxed upon these wrappers, which are of course waste or refuse as soon as the goods are delivered. In order to be appropriate, the tax should be put upon the substantive thing, the candle or the fireworks, the squib or what not that is inside of the package.

But to encumber with a tax the wrappers, which in this case have to be numerous and considerable, is a misplacing of a tax. They are of no value after they get here. So I think these words ought to be stricken out.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia.

The amendment was rejected.

Mr. ALDRICH. I ask that the bill be reported to the Senate.

Mr. BEVERIDGE. Before the bill is reported to the Senate, I wish again to call the attention of the chairman of the Finance Committee to the request made some time ago about printing in parallel columns the law and the pending bill, and also the increases and the decreases and the item; that is to say, from the House bill and from the bill as reported to the Senate.

The second thing I wish to remark at this juncture is that it is understood that when the bill is in the Senate it will be open to amendment without reservation. That was discussed for some two hours here some time ago as Senators will remember. So that there may not be any mistake about it, I merely mention it now. It has been the practice heretofore to reserve the right.

Mr. ALDRICH. I do not know what the Senator means by the term "without reservation." I do not know of any understanding of that kind.

Mr. BEVERIDGE. It has been the practice here—whether justified by any parliamentary requirement or not, I do not know—when a Senator wanted to present an amendment to a bill in the Senate, to reserve the right to do so. I remember very well that the first Senator I ever saw do that——

Mr. BACON. Will the Senator from Indiana permit me?

Mr. BEVERIDGE. Just a moment, until I finish my sentence; then I will yield.

The first Senator I ever saw do that, a few years ago, was the Senator from Wisconsin, Mr. Spooner, and that practice has been followed. I understood in the discussion that took place here almost at the time when the bill was first brought up, in which the Senator from Georgia took part, and the Senator from Texas also, that it was the understanding that amendments might be offered in the Senate without any reservation.

I beg pardon of the Senator from Georgia. I wanted to get through the one sentence.

Mr. BACON. I was simply going to suggest that there is no rule which requires any reservation, and the practice has grown up simply in this way: Where we have a bill with a vast number of amendments, they are frequently put to the Senate all together, en bloc, and the purpose of the reservation is simply as a matter of convenience, that the balance of the amendments may be thus voted upon, without including those reserved. But there is no doubt about the fact that when a bill gets into the Senate, in the absence of an agreement to consider the amendments all together, they are to be considered simply as they were in Committee of the Whole.

I presume, for convenience, except as to those amendments which Senators may desire to have acted upon separately in the Senate, there will be a general vote. It may be important, with that view, before a general vote is taken, for Senators to indicate what amendments they desire to have considered separately in the Senate.

Mr. BEVERIDGE. I wish to say just one word, and then I will sit down. Speaking personally, I recognize what the Senator from Georgia says to be true; but this practice has grown up. I think it rests in sound reason and ought to become the rule of the Senate. After we have thrashed out a matter in Committee of the Whole, it is perfectly absurd to thrash it out in the Senate. Having gone through the same process once, before exactly the same men, it is absurd to repeat it when it comes into the Senate. Sound reason is behind the practice that has grown up here that amendments should be reserved if Senators want separate votes.

But that was not the understanding at the beginning of this discussion, and I rose now merely to call attention to the fact that when the bill reaches the Senate it will be open to amendment without reservation. This practice was followed by the Senator from Texas the other day and by two or three others. I merely wanted the matter cleared up.

Mr. ALDRICH. I do not understand there has been any such agreement as that suggested.

Mr. BEVERIDGE. Not a unanimous-consent agreement, but——

Mr. ALDRICH. The Senator from Georgia very clearly and, I think, very fairly stated the situation. It has been customary with a bill involving, as this does, a very large number of amendments, to have the amendments concurred in in the Senate en bloc, unless some Senator desired to have some amendments reserved. The reason for that course is perfectly obvious, as the Senator from Indiana has indicated. I think there has been no understanding different from that. I think when the bill is in the Senate we ought to agree in gross upon as many amendments as possible. All those as to which Senators do not desire to have special votes reserved, should be acted upon together, as we have done heretofore. Of course, I have no disposition to prevent any reservations which any Senator may desire to make.

Mr. BACON. I suggest to the Senator that possibly the better plan would be to take up the reserved amendments first and then after we dispose of all those, agree en bloc upon the balance of them.

Mr. ALDRICH. I have no objection to that course if the Senate prefers it.

Mr. BAILEY. Mr. President, I had in mind when I gave notice of demanding a separate vote on a particular amendment, or reserving the right, merely to prevent that being included in some request to vote on the amendments in gross. It is the practice not only here, but elsewhere, when the committee rises and reports a number of amendments, to vote on them in gross unless a vote on particular ones is especially

desired and requested. It was merely to prevent that particular amendment from being included, in case I happened to be out of the Chamber when that sort of request was made, that I gave the notice I did.

The VICE-PRESIDENT. The Chair understands it is the custom of the Senate, however, not to require notice to be given in committee that an amendment will be voted on separately in the Senate. But when the bill comes into the Senate that vote can be had.

Mr. BAILEY. Having given a notice of that kind, if I were called out by one of my constituents or were at luncheon, or if for any other reason I were out of the Chamber, and a request was made that the amendments be voted on in gross, including the one which I reserved, I would not feel bound by that, and I would insist, having given this notice, that I was entitled to a separate vote.

The VICE-PRESIDENT. The Chair feels sure that the Senate would at no time attempt to vote on an amendment in that manner where notice had been given, such as the Senator from Texas referred to.

Mr. BEVERIDGE. A parliamentary inquiry, Mr. President, Is this the situation: The Senate has been sitting as in Committee of the Whole, and as such it has made certain amendments to this bill. The bill comes into the Senate, and the amendments of the Committee of the Whole are voted on en bloc, unless there are reservations or general consent that some one amendment or amendments shall be singled out. But when the bill is before the Senate, any Senator can offer any amendment he pleases to any part of the bill without having made a reservation in the beginning. That is the parliamentary law of the situation?

Mr. ALDRICH. The Senator is mistaken in one respect. After the Senate has agreed to the amendments made in Committee of the Whole, those amendments can not be amended, except by a reconsideration of the action.

The VICE-PRESIDENT. But before they are agreed to, the Chair understood the Senator from Indiana to mean.

Mr. ALDRICH. Oh, yes; before they are agreed to, that is true.

Mr. BEVERIDGE. Any Senator may offer an amendment without any reservation in advance.

The VICE-PRESIDENT. Before they are agreed to; but not afterwards.

Mr. BEVERIDGE. Not afterwards.

Mr. BACON. They have to be agreed to in the Senate just as in the committee.

Mr. ALDRICH. Certainly.

Mr. BACON. In this connection I desire to make a suggestion, and possibly an inquiry, of the Senator from Rhode Island.

In view of the suggestion on his part that the bill be now reported from the Committee of the Whole to the Senate, is it the purpose of the Senator to proceed immediately with the consideration of the bill in the Senate? The purpose of my inquiry is this: As suggested yesterday, it is very difficult for us to frame the amendments, or all of them, that we may desire to offer in the Senate without knowing accurately what has been done in the Committee of the Whole. It would be an extremely difficult matter to do.

Mr. ALDRICH. The Senate has ordered a reprint of the bill, and it is already in type—that is, subject to changes which may be made now within a few minutes—and the reprint of the bill can be here, I imagine, within an hour. At any rate, it can be here very soon. The reprint in parallel columns, which has been asked for by the Senator from Indiana, will be ready very soon.

Mr. BACON. The Senator would not propose that there should be general action upon the amendments en bloc or in gross before we have the opportunity to look at the reprint?

Mr. ALDRICH. No. I hope we may dispose of a good many of the committee amendments this afternoon—unobjected amendments, as to which there will be no desire at all on anybody's part to have a rehearing. I had supposed we might make considerable progress in that direction. The committee themselves have a few amendments to suggest in the Senate.

Mr. BACON. It is the purpose of the Senator, then, to take up the bill at the beginning, as he did in the committee?

Mr. ALDRICH. I am quite willing to follow the suggestion of Senators. I do not think that would be necessary. For instance, take the chemical schedule. I do not know, or at least I can not now think, of any amendment to the chemical schedule that would have to be debated in the Senate. I should say that the amendments to a number of schedules could be agreed upon without further discussion. That is the way it would strike me. I think we might go on and consider amendments which Senators want to offer in the Senate.

Mr. BACON. I am perfectly willing that there should be consideration if we can have the opportunity to see the reprint before there is any general action.

Mr. ALDRICH. All the data desired, so far as it is possible to obtain them, will be here to-morrow morning. I will say to the Senator from Indiana, as to his suggestion with regard to increases or decreases in rates which have taken place in the Senate since the report of the committee, that in some of the amendments, quite a number, there are changes in phraseology where there is practically no data which would show precisely what were the changes in rates. We should undoubtedly be able to give the Senate our own views as to what those changes involve; that is, whether they involve increases or decreases. My own feeling is that there have been more decreases than increases.

Mr. BEVERIDGE. That will be before the Senate, I take it, almost immediately?

Mr. ALDRICH. It will be.

Mr. BEVERIDGE. This afternoon?

Mr. ALDRICH. I am not so sure as to that.

Mr. BEVERIDGE. It has been several days.

Mr. ALDRICH. It may not be completed before to-morrow morning.

Mr. BEVERIDGE. I hope it will be this afternoon. It will save a lot of time.

Mr. ALDRICH. We will try to have it here this afternoon.

Mr. NEWLANDS. I wish to inquire of the Senator from Rhode Island whether it is intended to have a new edition of this Schedule of Estimated Revenues?

Mr. ALDRICH. No; not exactly that. We are going to print, as was stated yesterday when probably the Senator was not here, practically in parallel columns, on opposite pages, the present law, the House bill, the original recommendations of the Committee on Finance, and the amendments adopted in Committee of the Whole, showing four different stages.

Mr. NEWLANDS. Showing the percentage in each case?

Mr. ALDRICH. No; that is impossible. The changes have not been very great from the report of the committee, and in most of those cases, as I have already stated, they are changes in phraseology or in classification which would make the data which the Senator now suggests impossible to get. The experts have been at work, and it is not possible to do that. I think the Senator will be satisfied, however, with the information which it will contain.

Mr. NEWLANDS. I should like to know what procedure is necessary or will be followed with reference to the amendments of individual Senators?

Mr. ALDRICH. Hereafter?

Mr. NEWLANDS. Will they come after the committee amendments have been considered?

Mr. ALDRICH. You mean in the Senate?

Mr. NEWLANDS. Yes.

Mr. ALDRICH. That is a matter for the consideration of the Senate. The usual course is to dispose of the amendments made as in Committee of the Whole. They are not committee amendments any more; they are amendments made by the Committee of the Whole.

Mr. NEWLANDS. As I understand it, if any of the amendments which have been reported by the committee should be adopted, it would be impossible to amend any of them except by obtaining a reconsideration.

Mr. ALDRICH. In the Senate?

Mr. NEWLANDS. In the Senate.

Mr. ALDRICH. Oh, yes; if the Senate adopts an amendment made as in Committee of the Whole that is the end of it, unless the Senate should see some good reason for reconsidering its action.

Mr. NEWLANDS. Then, as I understand it, where a Senator seeks to amend in any way the action of the Committee of the Whole when the bill comes in the Senate, it will be necessary for him to insist upon reserving that particular amendment for consideration.

Mr. ALDRICH. And offering his amendment, whatever it may be, to that.

The VICE-PRESIDENT. Are there further amendments to be offered to the bill as in Committee of the Whole? If not, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

The VICE-PRESIDENT. The bill is in the Senate, and open to amendment. The question is on concurring in the amendments made as in Committee of the Whole. Shall they be acted upon separately or in gross?

Mr. BACON. I shall object to their being acted on in gross for the present. I think we ought to be able to see what the bill is which has come from the Committee of the Whole. How it is possible for us to intelligently say whether any other amendments should be offered without seeing it in print I am at a loss to understand.

Mr. ALDRICH. Many of the amendments, of course, Senators are familiar with. I shall be glad, if possible, to either dispose of the amendments to which there is no objection or

that we shall go on the rest of the afternoon considering amendments which individual Senators may have to offer.

Mr. CLAPP. First, reserving any rights which I have, I reserve for a separate vote the amendment providing for a corporation tax. I have an amendment to offer to that amendment. The form of the committee amendment is fresh in our minds, and I do not see why——

Mr. ALDRICH. I have no objection to going on now and considering that amendment.

Mr. CLAPP. We can take up something like that.

The VICE-PRESIDENT. The Chair suggests that he supposes the regular order would be, in the face of objection of the Senator from Georgia, to take up the amendments seriatim, beginning with amendment numbered 1.

Mr. CLAPP. I am ready to go on with it. However, I reserve the amendment I have indicated for further consideration.

Mr. NEWLANDS. I suggest to the Senator from Rhode Island that we take a recess until the print of the bill as amended comes in. I think it would expedite the consideration of the bill to wait for the reprint. I understand the reprint will be ready within an hour or an hour and a half. Why not take a recess until 3 o'clock?

Mr. ALDRICH. I am not so sure precisely whether the copies of the bill will be here by that time.

Mr. NEWLANDS. Then I suggest that we take a recess until to-morrow morning. We will save time by that course, I think.

Mr. ALDRICH. I am told that the reprint will be here within an hour and a half or two hours. I think we could dispose of a great many of these amendments by commencing at the beginning and going along with the bill. I think most of them are matters to which there would be no objection.

Mr. LA FOLLETTE. The difficulty with that course, if I may be permitted, is that we would not have the form of the amendment before us.

Mr. ALDRICH. I will ask, then, that the Senate shall take a recess.

Mr. LA FOLLETTE. We can follow the best we can the reading at the desk, but it is very difficult.

RECESS.

Mr. ALDRICH. I suggest that we take a recess until half past 3. At that time we will have the reprinted bill here, I think.

Mr. McLAURIN. If the chairman of the committee will allow me to make a suggestion to him, I suggest that we adjourn until to-morrow morning. If at that time any Senator knows of any amendment that he wants to have a separate vote on, he can reserve it for a separate vote, and all the other amendments can be concurred in in gross. I do not see any objection to that course.

Mr. ALDRICH. I will suggest to the Senator from Mississippi that when we meet at half past 3 o'clock we will have the reprint here; and if it seems then desirable to Senators that the bill should go over, with a view of following the course suggested by him, we can take an early adjournment.

Mr. McLAURIN. I do not see any necessity for taking up the amendments seriatim, because that would take a long time and they are going to be adopted anyhow.

Mr. ALDRICH. I very much prefer the course suggested by the Senator from Mississippi, if we can get an agreement on that.

I move that the Senate take a recess until half past 3.

The motion was agreed to; and (at 1 o'clock and 22 minutes p. m.) the Senate took a recess until 3 o'clock and 30 minutes p. m., when it reassembled.

THE TARIFF.

The Senate resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. BEVERIDGE. I send to the desk, although it need not be read now, an amendment which I ask to have printed; and I give notice that I shall offer it to-morrow, if that is convenient. I shall not offer it this afternoon.

The VICE-PRESIDENT. The amendment will be printed.

Mr. ALDRICH. Mr. President, the printed copies of the bill have not yet arrived. I am therefore inclined to adopt the suggestion made by the Senator from Mississippi [Mr. McLAURIN], that we adjourn until to-morrow morning, with an understanding that at that time the amendments will be taken up, and those amendments that Senators desire to have reserved shall be reserved, and the others shall be voted on in gross.

Mr. HEYBURN. I suggest that the delivery of the copies should not be delayed until to-morrow morning.

Mr. ALDRICH. Oh, no; not at all.

Mr. HEYBURN. They will be available as early as possible, I presume?

Mr. ALDRICH. The copies of the bill will be delivered within a few minutes. My suggestion is that the copies of the bill as amended be delivered immediately upon their arrival, which will be within a few minutes. Senators will thus have an opportunity to examine the amendments. To-morrow morning we shall ask to have the amendments which are not reserved——

Mr. BEVERIDGE. At that time.

Mr. ALDRICH. At that time, adopted en bloc.

Mr. CULBERSON. Senators can to-morrow morning reserve the amendments upon which they propose to ask for separate votes?

Mr. ALDRICH. Oh, yes; undoubtedly. That is my purpose, and to have the others adopted en bloc.

Mr. HALE. I suppose the proposition of the Senator from Rhode Island is based upon the rule that is invariably observed in the case of appropriation bills.

Mr. ALDRICH. It has always been done in the case of tariff bills also.

Mr. HALE. And in tariff bills also. To-morrow morning, after having had an opportunity to examine the bill, Senators will be better prepared than they are now to say what amendments they desire reserved. We can then, after such amendments are reserved for separate votes as Senators may indicate they desire reserved, adopt the other amendments in gross, and proceed to the order of amendments reserved. I suppose that is the proposition of the Senator from Rhode Island.

Mr. ALDRICH. That is my understanding.

Mr. OVERMAN. But any independent amendments——

Mr. ALDRICH. The independent amendments will be taken care of, of course.

Mr. BEVERIDGE. Personally, Mr. President, I have no objection to that course; but it should be understood by all that it was stated by the Senator from Rhode Island this morning that under this sort of an arrangement, which, as I understand, does not amount to a unanimous-consent agreement, after the amendments made in Committee of the Whole have been voted on en bloc they can not thereafter be amended, except in the case of those reserved.

Mr. HALE. That is correct.

Mr. BEVERIDGE. I think everyone should have notice of that fact.

Mr. CUMMINS. Mr. President, I desire to ask the Senator from Rhode Island a question.

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. ALDRICH. I do.

Mr. CUMMINS. That does not relate to any amendments proposed by individual Senators. They will be in order at any time?

Mr. ALDRICH. They will be in order at any time after the disposition of the amendments made in Committee of the Whole.

Mr. CUMMINS. Thus it is not necessary to reserve them?

Mr. ALDRICH. It is not necessary to give any notice or make any reservation as to them. The whole thing is open to amendment in that form.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Idaho?

Mr. ALDRICH. Certainly.

Mr. HEYBURN. I want to understand this arrangement.

Mr. BEVERIDGE. It is not an arrangement; it is a statement of practice. There is no arrangement that binds any of us.

Mr. HEYBURN. Whatever it may be called, I wish to understand it. What I desire to know is, whether it is contemplated that all of the amendments that have been adopted by the Committee of the Whole will be voted on together?

Mr. ALDRICH. Except those that are reserved by Senators who desire separate votes.

Mr. HEYBURN. That is, those that are reserved to-morrow?

Mr. ALDRICH. Yes; those that are reserved to-morrow.

Mr. HEYBURN. That is all I wished to understand.

Mr. MONEY. I do not know that I clearly understand this matter. I understand that the amendments of the Committee of the Whole are to be voted upon en bloc.

Mr. ALDRICH. Yes; except such as individual Senators desire to-morrow morning to reserve.

Mr. FRYE. That is just what has always been done.

Mr. ALDRICH. It has been the universal custom.

Mr. MONEY. I am accepting it as stated; but I desire to understand what is meant by amendments made in committee. It means amendments made in Committee of the Whole?

Mr. ALDRICH. Amendments made in Committee of the Whole.

Mr. MONEY. I simply desired to understand that. And if anyone has an independent amendment, it can be offered?

Mr. BEVERIDGE. Before the amendments made as in Committee of the Whole are concurred in by the Senate, any Senator, as I understand, can offer any amendment he pleases.

Mr. ALDRICH. I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, July 7, 1909, at 10 o'clock a. m.