M. A. Chancey to be postmaster at Hondo, Tex., in place of Joseph Fohn. Incumbent's commission expired March 29, 1913.

Calvin C. Davis to be postmaster at Iowa Park, Tex., in place of William L. Yanger, deceased.

E. F. English to be postmaster at Cameron, Tex., in place of Thomas A. Pope. Incumbent's commission expired December 16, 1912.

J. T. Fulcher to be postmaster at Thorndale, Tex., in place of Gerhard Dube. Incumbent's commission expired April 2, 1912.

Marvin P. Gillis to be postmaster at Kosse, Tex., in place of Albert S. Jones. Incumbent's commission expired December 16, 1912.

J. S. J. Gober to be postmaster at Sanger, Tex., in place of Howell D. Greene. Incumbent's commission expired April 2, 1912.

Laura V. Hamner to be postmaster at Claude, Tex., in place of David C. Dodge. Incumbent's commission expired December 16, 1912.

W. J. Harkey to be postmaster at Palmer, Tex. Office became presidential October 1, 1912.

S. R. Haynes to be postmaster at De Leon, Tex., in place of Clarence R. Redden. Incumbent's commission expired April 2, 1912.

M. J. Kivlin to be postmaster at Kingsville, Tex., in place of J. S. House. Incumbent's commission expired December 16, 1912.

E. T. Oliver to be postmaster at Caldwell, Tex., in place of Edmund A. Potts. Incumbent's commission expired December 16, 1911.

Bessie Peterson to be postmaster at Port Lavaca, Tex., in place of Charles Rubert. Incumbent's commission expired December 16, 1911.

Charles C. Porter to be postmaster at Meridian, Tex., in place of John Harvey. Incumbent's commission expired April 28, 1912.

S. A. Roberts to be postmaster at Blooming Grove, Tex., in place of Alva P. Langston. Incumbent's commission expired February 11, 1913.

John A. Shapard to be postmaster at Rockdale, Tex., in place of Ben Lowenstein. Incumbent's commission expired January 14, 1913.

W. B. Smith to be postmaster at Shamrock, Tex., in place of Hugh E. Exum. Incumbent's commission expired March 1, 1913.

G. P. Tarrant to be postmaster at Aransas Pass, Tex. Office became presidential April 1, 1910.

VERMONT.

Alton G. Baird to be postmaster at Orleans, Vt., in place of Henry S. Webster. Incumbent's commission expired January 11, 1913.

James McGovern to be postmaster at North Bennington, Vt., in place of Heman I. Spafford. Incumbent's commission expired May 19, 1912.

Patrick H. Thompson to be postmaster at Arlington, Vt., in place of Edward C. Woodworth. Incumbent's commission expired January 22, 1913.

VIRGINIA.

S. L. Cecil to be postmaster at Pennington Gap, Va., in place of M. L. Slemp. Incumbent's commission expired January 11, 1913.

Leslie F. Ferguson to be postmaster at Appomattox, Va., in place of Robert Irby. Incumbent's commission expired April 5, 1913.

E. M. Morrison to be postmaster at Smithfield, Va., in place of Benjamin P. Gay. Incumbent's commission expired March 11, 1912.

H. I. Tuggle to be postmaster at Martinsville, Va., in place of Charles P. Smith. Incumbent's commission expired February 5, 1910.

WEST VIRGINIA.

Herbert T. Davis to be postmaster at West Union, W. Va., in place of William R. Brown. Incumbent's commission expired February 18, 1913.

Fred F. Jasper to be postmaster at Glen Jean, W. Va., in place of Edgar C. James, resigned.

David W. McConaughey to be postmaster at Cameron, W. Va., in place of Robert B. Watson. Incumbent's commission expired January 23, 1910.

WISCONSIN.

Albert J. Hemmy to be postmaster at Hartford, Wis., in place of Irving L. Bonniwell. Incumbent's commission expired April 24, 1912.

Frank J. Maher to be postmaster at Omro, Wis., in place of Oliver W. Babcock. Incumbent's commission expired January 22, 1913.

E. R. Peck to be postmaster at Bangor, Wis., in place of James Carr. Incumbent's commission expired January 12, 1913.

George H. Schmidt to be postmaster at Kewaskum, Wis., in place of August G. Koch, deceased.

John Vander Linden to be postmaster at West De Pere, Wis., in place of Wallace S. Hager. Incumbent's commission expired December 11, 1911.

WYOMING.

Malcolm R. Merrill to be postmaster at Wheatland, Wyo., in place of Frederick E. Davis. Incumbent's commission expired December 17, 1912.

George Whittaker to be postmaster at Yellowstone Park, Wyo., in place of Alexander Lyall, resigned.

WITHDRAWALS.

Executive nominations withdrawn from the Senate May 7, 1913.

POSTMASTERS.

GEORGIA.

B. F. Baker to be postmaster at Woodbury, in the State of Georgia.

INDIANA.

Daniel Ganz to be postmaster at Odon, in the State of Indiana.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *May 7, 1913.*

The House met at 11 o'clock a. m.

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

Our Father in heaven, we realize that apart from Thee we can not exist, for in Thee we live and move and have our being. Every breath we breathe is a new birth; every thought, uttered or unexpressed, a token of Thy care; every act a sufferance of Thy will. Help us, therefore, assiduously to follow the laws of health as we know them and keep ourselves free from the contamination of sin, that we may think clearly, act wisely with Thee, through Thee, to the larger life and possibilities in Christ Jesus, the world's great Exemplar. Amen.

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

THE TARIFF.

Mr. UNDERWOOD. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3321—the tariff bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, with Mr. GARRETT of Tennessee in the chair.

The CHAIRMAN. When the House adjourned last evening paragraph E was pending. Are there amendments to paragraph E?

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAHAM] offers an amendment which the Clerk will report.

The Clerk read as follows:

Page 141, line 3, after the word "acting," strike out the word "including" and insert the word "excluding."

Mr. GRAHAM of Pennsylvania. Mr. Chairman, we have had a wide range of debate with reference to the bill now under consideration. Many things have been said that have not been pertinent, and much has occupied the time of the House that has no relevancy to the measure before the House. I am glad to see that in the discussion of the income tax there is a greater observance of the rule that whatever is said must be pertinent to that which is being considered.

The time for debate upon the question as to whether or not we shall have an income tax has long since passed. It is not necessary for one to express one's private views with reference to such a measure. The majority of this House have felt it to be their duty to present a bill upon this subject, and have asked the House to pass it. They have presented the one that is now under consideration, and it seems to me that it is the duty of the Members upon this side of the House not to hinder, obstruct, or interfere with its passage, but to aid in making it such a measure as will give the question of an income tax a fair and full test by the American people when put in actual practice.

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While I respect the men who are upon the Ways and Means Committee and their skill and judgment, I must say that a perusal of the second section of this bill leads one to believe that an immature measure is being pressed upon the attention of Congress.

This section of the bill ought to be reconsidered and revised. There is much in it that is fraught with peril in any attempt to execute its provisions, and it seems to me there is no section of this bill that is so imperfect as the one now under consideration.

Let me ask the attention of the House to a few sentences found on page 141:

All persons, firms, copartnerships, companies, corporations, joint-stock companies, or associations—

And so on, and then the section, after naming others acting in a fiduciary capacity, proceeds as follows:

Are hereby authorized—

And not only authorized, but—

Required to deduct and withhold from such annual gains, profits, and income such sum as will be sufficient to pay the normal tax imposed thereon by this section, and shall pay to the officer of the United States Government authorized to receive the same; and they are each hereby made personally liable for such tax.

What does this legislation mean? It means that you are creating a horde of collectors who are not official; that you are constituting every man through whose hands passes a sum of money coming to you as income a collector to collect and withhold from you the amount of the normal tax, and he, not you, must pay it over to the collector.

Was there ever a more shameful provision inserted in any bill—one so insulting and humiliating to the self-respect of every American citizen? A horde of collectors put upon you for the purpose of intercepting your money, and withholding it as though you were a thief and scoundrel, and the legislature in a bill deliberately treating all the people as such.

This is the provision of this income tax to which I have directed your attention. Consider it for a moment and answer for yourselves, Is it or is it not fraught with peril and disturbance to the relations of men in the business of life?

Every lessee, every mortgagor, shall withhold this tax. When the time comes for payment a defense is intervened, a legal question is raised, the right to collect what is due to one is taken away, and what is your remedy? The remedy in this bill requires one to go to this so constituted collector and say to him with your hat in your hand, "I humbly beg leave to call your attention to the fact that I am exempt," or "that this tax is not due from me and you ought not to retain it"; but one's word is not sufficient. He must sanctify it with an oath to this man, and it is no answer to say, "or you may make return to the collector," for the duty is imposed on the individual to seize and withhold this portion of the income, and he will not pass it by lightly when he has been made personally liable for it, in this bill, as a debt of his own. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HULL. Mr. Chairman, the gentleman from Pennsylvania [Mr. GRAHAM] makes the usual argument of those who oppose this or any other just method of taxation. During the past few weeks I have heard more talk about widows and orphans on the part of these big men who represent big interests than I have ever heard before within the same length of time by anybody during my lifetime. The gentleman from Pennsylvania undertakes, either intentionally or otherwise, and I hope otherwise, to make an entirely erroneous impression upon the membership here with respect to the meaning and the effect of the operation of this provision of the law. Even in his own State certain individuals and corporations are required to withhold the tax of other taxpayers and pay to the State, as I am informed. In a large number of States of the Union banks are required to withhold the tax for all shareholders and pay to the State. The gentleman has made no complaint as to the operation of this law, which is similar in Pennsylvania, as I understand.

Mr. GRAHAM of Pennsylvania. Oh, I beg the gentleman's pardon. There is no such law in Pennsylvania as that which is incorporated in the text of this proposed measure.

Mr. HULL. There is a law there that requires the tax to be withheld and paid to the State by one person or corporation for another, is there not?

Mr. GRAHAM of Pennsylvania. No; nothing like this at all.

Mr. HULL. I am informed by other Members from that State that there is such a law, and I was simply making the statement upon the strength of what they informed me.

Mr. GRAHAM of Pennsylvania. Will the gentleman permit me to make one suggestion?

Mr. HULL. I can not yield. I do know that there are laws in most or many of the States which require banks to withhold and pay taxes, precisely as this provision implies, for every stockholder in those banks, and according to the gentleman's argument that is a gross outrage, it is a gross reflection on all the stockholders because the banks as a mere matter of convenience to the stockholder and the State withhold and pay to the State.

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

Mr. HULL. I can not yield. This is a provision that has been in operation for 50 years in England. Every hod carrier understands it, and instead of complaining about it they approve it. It means that double the amount of tax otherwise under the same rate goes into the Treasury, and with a minimum amount of trouble or annoyance to the taxpayer. It simply means that any person, company, or corporation having in their hands at the end of the year taxable income going to another in the way of salary or rent or interest, and so forth, arising from an annual transaction, shall withhold the tax and make return along with their own return, giving the name and address of the other taxpayer, and when that reaches the internal-revenue office the amount of tax is computed and sent back to the person at the source, and he sends a check in payment for it along with his own. No complaint is made of this in other countries; no complaint is made in this country where precisely this method is observed in perhaps a majority of the States on the part of the banks whose duty it is to withhold and pay the tax for their stockholders. I hope that before gentlemen rush into these sweeping criticisms they will take just a little pains to read over the bill and to examine the practice followed by other countries and States that have in operation this identical method of collection. It is no imposition on anyone, it is no reflection on anyone, it is simply a matter of convenience both to the taxpayer and to the Government, with no serious injury or trouble imposed upon anyone.

Now, the gentleman refers here to lessees and mortgagors. The effect of that amendment would be nothing if it was adopted. The first line is the saving part of this section—

All persons, firms, copartnerships, companies, or corporations, etc.

Now, it may be lessees or mortgagors. That which follows is only explanatory, and the only question is whether the lessee or mortgagor at the end of the year has a taxable amount of income going to a taxpayer. If so, he simply withholds the tax on that particular amount. He does not inquire into the taxpayer's other business or his other sources of income. That is a matter between the taxpayer and the Government. He only withholds the tax on this particular item that is in his hands, and he is not personally liable for the tax until this income accrues in his hands and is to be paid to the taxpayer. Then he withholds the amount of the tax, so that no injury is inflicted upon him in this respect. He is simply induced thereby to make safe payment of it to the Government.

Mr. EDMONDS. Mr. Chairman, I have listened to the gentleman's explanation, and I must say that I do not think it covers the case where it comes to an individual. We are not talking about the corporations. They can do this very easily. But suppose a man owns a house and that is all he has in the world. He rents it for $25 a month. Under this bill do you require the tenant to take out 25 cents a month and pay it to the Government?

Mr. HULL. Oh, no; not at all. It means anything except that.

Mr. EDMONDS. How is he going to get out of it?

Mr. HULL. He does not retain any tax at all until it passes the $4,000 mark.

Mr. EDMONDS. I know; but how does the tenant know that?

Mr. HULL. The tenant knows what he owes the landlord at the end of the year. If it is more than $4,000 a year, he retains the tax on the excess. For instance, if it is $5,000 per year he would retain $10, or 1 per cent on the $1,000 excess above $4,000, when he pays it to the lessor, and conveys that $10 to the Government.

Mr. EDMONDS. Yes; but it does not say so in the bill at all.

Mr. HULL. It is very plain in line 11, on page 141:

Exceeding $4,000 for any taxable year.

Mr. EDMONDS. But if the tenant is paying $300 a year rent, how does he know that the amount he is paying will increase the income of the lessor above $4,000?

Mr. HULL. He is simply dealing with this one item. The taxpayer takes up with the Government any other sources of income.

Mr. EDMONDS. I think the gentleman from Pennsylvania [Mr. GRAHAM] is right on the proposition. I do not think it is definite at all.

Mr. SHERLEY. Mr. Chairman, I think it is important that we understand the meaning of this provision. Because I have talked it over several times with the gentleman from Tennessee I want to emphasize what I understand to be the view of the committee touching the meaning of this particular section. That is, that there is an option given to the man who owes the tax either to make to the person who is to pay the tax for him, or to the collector, a statement as to such deductions as he is entitled to.

Mr. ANDERSON. Will the gentleman——

Mr. SHERLEY. Just a moment. I want at least to finish one thought. If it is made to the person who is to pay the tax, why then that is sent with the statement of such person to the collector, and there the amount of tax that is to be paid is ascertained and the person to pay the tax is notified. On the other hand, if he chooses, he may send his statement to the collector. Then his statement is put in conjunction with the statement of the person required to pay the tax in the first instance; and again the collector estimates the direct amount of tax that is to be paid, and notifies the person required to pay it in the first instance. Or in other words, whichever course he takes to claim his deduction, the result is that the collector is required to notify the person having first to pay the tax of the exact amount.

For myself I think it might have been very well if the law had expressly stated that the collector should do that very thing, so that the language which says that the person required to pay in the first instance shall pay and shall be liable for the tax might not be construed as in any sense making him liable for the whole amount without regard to any deduction unless he was notified by the person for whom he pays of such deductions in the first instance; and in order that the construction which the gentleman from Tennessee has put on it, which is the committee's construction, may be clearly understood by the House and understood in connection with the construction of the act if it finally passes in this form, I have thought it wise to make this statement. Now, I yield to the gentleman from Minnesota.

Mr. ANDERSON. I understood the gentleman from Tennessee to say that this would not apply in any case where the interest did not exceed $4,000. Now, I call the attention of the gentleman to the bottom of page 142, to the proviso, which is as follows:

Provided, That the amount of the normal tax herein imposed shall be deducted and withheld from fixed and determinable annual gains, profits, and income derived from interest upon bonds, mortgages, or other indebtedness of corporations, joint-stock companies or associations, insurance companies, and also of the United States Government not now exempt from taxation, whether payable annually or at shorter or longer periods, although such interest does not amount to $4,000.

Does that apply only to interest from Government bonds, or does it apply to any interest upon mortgages, and so forth?

Mr. HULL. It applies alone to interest due from corporations, not from individuals.

Mr. MANN. It does not say so.

Mr. HULL. If the gentleman will permit me, as was stated some days ago here, the only exception to the general rule which requires a person or corporation to withhold the tax of an individual is when the income in his hands exceeds $4,000; that is this exception to which the gentleman from Minnesota calls attention; that is, in case the interest derived from corporate bonds or other corporate indebtedness is going to the taxable individual.

Mr. ANDERSON. I would like to ask the gentleman another question. The provision on page 135 of the bill allows an individual to make a deduction from his gross income of income upon which the tax has been paid at the source. In case of mortgages and bonds, the normal tax of 1 per cent would have been paid by the corporation or collected at the source. Consequently the amount would be deducted from the gross income of the individual and would not be included in his net income upon which the surtax would be levied.

Mr. HULL. The gentleman overlooks the fact that any person who withholds the tax at the source makes a return of income as to that. All the tax is computed at the office of the internal-revenue collector. The amount of the tax is computed and the amount sent back.

Mr. ANDERSON. The corporation is only required to deduct the amount of the normal tax, and when they deduct it the individual is permitted to deduct the amount of the income upon which the normal tax is paid at the source from his gross income, and your surtax is only levied on his net income.

Mr. HULL. That is a different transaction. You dispose of the normal tax and then you come to the surtax.

Mr. ANDERSON. You have specifically provided that the individual is permitted to deduct from the gross income the amount upon which the normal tax has been taken out at the source.

Mr. HULL. I think, if the gentleman will read the bill carefully, he will see that it is perfectly plain.

Mr. ANDERSON. I have read the bill 20 times and I am positive that the construction I put on it is correct.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this section and pending amendments close in 25 minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this paragraph and all amendments thereto shall close in 25 minutes.

Mr. GREEN of Iowa. Mr. Chairman, do I understand that this agreement applies clear up to paragraph F?

Mr. UNDERWOOD. F is reserved.

The CHAIRMAN. To which agreement does the gentleman from Iowa refer?

Mr. GREEN of Iowa. I refer to the request of the gentleman from Alabama.

The CHAIRMAN. The request of the gentleman from Alabama is that all debate on paragraph E and all amendments thereto shall close in 25 minutes.

Mr. GREEN of Iowa. I said that I only wanted 2 minutes, but if it goes clear up to F I want 5 minutes.

Mr. UNDERWOOD. I will agree that 18 minutes of that time shall be controlled by the gentleman from Illinois and 7 minutes by myself.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on paragraph E and all amendments thereto shall close in 25 minutes, 18 minutes to be controlled by the gentleman from Illinois and 7 minutes by the gentleman from Alabama. Is there objection?

Mr. CALDER. Reserving the right to object, can I have 5 minutes of that time? Could not the gentleman give 22 minutes to this side?

Mr. UNDERWOOD. Very well, Mr. Chairman, I will modify my request and make it 30 minutes, and reserve 8 minutes to this side.

The CHAIRMAN. The gentleman from Alabama modifies his request so that there be 30 minutes' debate, 22 minutes to be controlled by the gentleman from Illinois [Mr. MANN] and 8 minutes by himself.

Mr. UNDERWOOD. And all pending amendments be disposed of at the end of that time.

Mr. MANN. Let us dispose of the amendments as we go along.

Mr. UNDERWOOD. Very well.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GRAHAM].

The question was taken, and the amendment was lost.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I offer the following further amendment.

The Clerk read as follows:

Page 141, lines 1 to 22, after the figure "1," strike out lines 1 to 21, inclusive, and the words "such tax" in the twenty-second line.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. GRAHAM of Pennsylvania. Mr. Chairman, I would like to inform the gentleman from Tennessee [Mr. HULL] that I have read this bill carefully. I have not made my criticisms of this section without due regard to my own conscientious views and convictions. I said nothing in my remarks about widows and orphans, and the gentleman ought to give me credit for not traveling outside of the record. He has traveled outside of the record and has attempted to impugn my motives.

I want to assure the gentleman, in all kindness, that my motives as a Member of this House are such as have characterized me in the discharge of every public duty I have ever undertaken in all my life. Whether I have represented during my life big or small interests in the country will make no matter to me as a Member of this Congress. Here I am, acting under my oath, and my sense of duty to my constituency and the whole people is as high and as unimpeachable as is that of the gentleman from Tennessee. Now, my criticism is based upon this section, because I feel, as a lawyer and a critic of language in a statute, that this is bound to make trouble to the business world. I said at the outstart I am interposing no motion for the purpose of hindrance or delay in the passage of this bill.

When the gentleman alludes to cases in which corporations retain moneys to pay taxes it is always to those cases where a relationship exists between the parties that can not be said

to exist when you constitute an individual, who may be responsible or otherwise, the taxgatherer and taxpayer for you in your name and stead. I want to call the gentleman's attention to a peculiar distinction that is made in the remedy that he says is proposed in this section. First, with relation to claiming the benefit of the $4,000 exemption. In this section the language compels him to claim that benefit from the individual citizen who collects and retains his tax, where the relationship of the man ought to be with his Government and with its officials. Second, in the case when he claims the benefit of those things that are exempted—in other words, the deductions—he has it in the alternative. He may either claim it from the man who has withheld his tax money and paid it to the collector, or he may go to the collector at the end of the year and claim it from him. In the one instance it is imperative that he go to the individual constituted by this section a taxgatherer, but not an official, and claim the exemption from him; and in the other case—that is, claiming deductions—he has the alternative; he may go to this extraordinary collector, or he may to go to the United States internal-revenue collector. I dare say that in the administration of this section there is going to be utter confusion, and the language shows that it has not been considered by those who are competent to judge of the relation of things in such a matter as this. To put a lessee in a position to collect from his landlord his—the landlord's—income taxes and pay them for him, and to put the mortgagor in the position of collecting out of the interest due his mortgagee the amount of this tax and pay it for him is surely an anomalous, unusual, and objectionable feature of this chapter in the history of tax legislation. [Applause on the Republican side.]

Mr. MANN. Did the gentleman use all of his time?

The CHAIRMAN. The gentleman used four minutes of his time.

Mr. MANN. I yield five minutes to the gentleman from Minnesota [Mr. ANDERSON].

Mr. ANDERSON. Mr. Chairman, I do not wish to indulge in captious criticism upon this section of the bill, but I do think that it ought to be subject to just and fair criticism in all of its provisions. I think it is to be regretted that it has been coupled up with a party measure so that it can not receive that careful, impartial, and nonpartisan consideration which a bill of this character ought to receive at the hands of this House. No party or no set of men has a monopoly of the income-tax principle, and this section of the bill ought to be considered under conditions which would give fair opportunity for consideration of the matter in a nonpartisan and impartial way. [Applause on the Republican side.] Now, Mr. Chairman, the present Payne-Aldrich law imposes a tax of 1 per cent upon the net incomes or net earnings of corporations. That tax of 1 per cent, or normal tax, is continued in this bill and extended to individuals having an income of over $4,000 and not in excess of $20,000. In addition, a graduated-income tax or surtax is imposed upon incomes in excess of $20,000, but that tax is levied not upon the gross income, not upon the return of the individual, but on his net income as his return shows that income. Now, in determining that net income this bill authorizes him to make certain deductions. These deductions include among others, in the first place, a deduction from his gross income of that part of his income upon which the corporation has paid what amounts to the corporation tax in this bill.

As a result that income will not be included in his net income, and as a further result he will not be taxed upon the income which he receives from a corporation as dividends, except for the normal tax. To illustrate, here is a corporation having 10 stockholders, capitalized at $10,000,000. Its net earnings are $1,000,000. Upon those net earnings of $1,000,000 it pays a normal tax, or $10,000, leaving $990,000 to be distributed among its stockholders, or $99,000 apiece. Presumably under this bill each stockholder will pay an additional tax of 2 per cent on $99,000. As a matter of fact, no such thing will happen, because in determining his net income he should have credit for the amount which he receives from the corporation as dividends, and then he will deduct that amount from his gross income under this bill, because the normal tax has been paid by the corporation. It is perfectly obvious under those circumstances that nothing but normal taxes will be paid upon dividends of corporations.

Mr. HULL. Will the gentleman allow me to call his attention to line 10, page 134?

Mr. ANDERSON. Ah, yes; but that refers to the return and the tax levied, as the gentleman will notice, not upon the amount which the taxpayer returns but upon the net income which his return shows, figured according to the method provided in the bill.

Mr. HULL. If the gentleman will permit, that is the normal tax only, and not the additional tax.

Mr. ANDERSON. Not at all. He pays his tax upon the net income, whether the normal tax or some other tax. There is no distinction, so far as the individual is concerned, in this bill between the normal tax and the income tax. He pays the tax whether it is the normal tax or graduated tax upon the net income, as that income is shown by the return he makes.

Mr. HULL. May I interrupt the gentleman? On page 134, read line 7 down to line 11. That shows conclusively that no part of the tax is paid at the source, but a return is required of the entire amount as to the additional tax.

Mr. ANDERSON. I think the gentleman is entirely mistaken about that. The normal tax in every instance, if it is levied upon dividends or upon the interest of a mortgage, a mortgage or bond, is collected at the source—the gentleman shakes his head, but I call his attention to the paragraph to which I called the attention of the gentleman from Tennessee [Mr. HULL]. It does not seem to me there is any question about the construction of it. I admit, and gladly admit, that it was not the purpose of the gentleman from Tennessee [Mr. HULL] to write the bill in that way, but I do maintain that the conclusion I have drawn is the necessary conclusion to be drawn from the language of the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Let us have a vote on that proposition.

Mr. HULL. Mr. Chairman, I regret that the gentleman from Pennsylvania [Mr. GRAHAM] became offended at the impersonal remarks I indulged in in trying to call attention to another phase of this bill. I construed the remarks of the gentleman as a rather vicious attack upon the effect of this section which I considered entirely unwarranted from the face of the language of the section to which he was referring. I perhaps did weave in some arguments that other gentlemen have been making on the floor and elsewhere with respect to widows and orphans. The gentleman denies any disposition to utilize that argument, and I am glad to withdraw that part of my allusion.

Now, Mr. Chairman, as to this section, if gentlemen desire to offer a criticism to this method of collection at the source, they should have commenced at a preceding paragraph. The first paragraph of this bill imposes the tax; paragraph B defines incomes; the second half of paragraph B defines the method of computing net incomes. When you get over to paragraph E you come to the direction for making returns. Three kinds of returns are required for the purpose of the normal tax—one by the individual, another by guardian or trustee for his beneficiary, and the third one by any person or corporation who withholds for another an individual normal tax at the source of the income.

These three kinds of returns are directed. Now, if gentlemen want to assault this phase of the matter, they should have commenced on page 138, down near the bottom, where the return is required. This section, to which the gentleman refers now, merely relates to the payment of the tax after it has been returned by the person or corporation for the taxpayer. This is simply a long-standing and well-understood and well-established and highly satisfactory method of enforcing this tax in England. It has been better developed there than anywhere else, and within the past four years one of the ablest parliamentary tax commissions that has been appointed there perhaps in a generation was directed to make a thorough investigation and report as to whether this method of collection at the source should be abolished in order to permit a graduated tax running up in the usual manner. They reported back at the end of the year that, after making the most exhaustive investigation, this method of collection had doubled the amount of revenue under the same rate; that it had almost entirely removed the objection of inquisitoriousness or annoyance to the taxpayer when the tax was being enforced, and that this, more than any other feature of the entire law, has contributed to the popularity of the tax, making it as satisfactory as any other on the statute books, and that it at the same time had doubled the revenue.

Now, the Treasury Department in their regulations will designate here very clearly the classes of persons or corporations required to withhold the tax, just as the English law designates them in the body of the law, but it required a hundred pages in their law to do that and to prescribe other details. Their regulations will also designate those classes of individual taxpayers who will be required to make a personal return; that is, where their income is not derived from an annual business relationship or connection with some person or corporation, and so forth, and in the case of traders, or professional men, or business men, where their income accrues at different and irregular times, in different and irregular

amounts—in all this class of assessments and as to all this class of returns they would make a personal return. But in cases where rents or interest or salaries are due from one person or corporation to an individual taxpayer, subject to the normal tax of 1 per cent, and arising from an annual business relationship, this method of assessment and collection at the source is utilized in this bill.

Now, if this plan has worked so admirably in other countries, if it has worked so well in England particularly, where there are only 40,000 corporations, why would it not work much better in this country where there are more than 200,000 corporations? I can see no reason why it would not work just as practically, and even more so here; and instead of being an annoyance to the taxpayer when it becomes understood and adjusted to the country, I am satisfied, in view of the uniform experience elsewhere, that this will be entirely satisfactory in its general effect and operation.

Now, my friend from Minnesota [Mr. ANDERSON] is entirely in error in confusing the additional tax with the normal tax.

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

Mr. HULL. Yes.

Mr. CAMPBELL. If a citizen, say, has five buildings in five several cities, from which he receives a rent of, say, $5,000 a year for each, what method of collecting would apply to the income of that citizen?

Mr. HULL. In each case the lessee, when he made his own return, would note the name and address of this lessor and the $5,000 of accrued income that is to pass through his hands. He would return that to the district collector, who would send it to the Internal Revenue Commissioner's office here in Washington. He would compute the amount of tax, and if the lessor had filed notice with one of these lessees claiming his $4,000 exemption, that would be pinned to that $5,000 return, and when it reached the office the computation of taxes would be made, and in each case $50 of that tax would be sent back, with notice to the lessor, except that in the case where the exemption was claimed the Internal Revenue Commissioner would have deducted the $4,000 and sent back an item of $10 to that perticular lessee.

Mr. CAMPBELL. Would it not be less cumbersome to the citizen to pay his own tax?

Mr. HULL. Yes; it might be if he would do so. But, as I said the other day, he only returns on the average about one-tenth of his property according to the experience of the States.

Mr. GRAHAM of Pennsylvania. Mr. Chairman, will the gentleman permit a question?

The CHAIRMAN. Does the gentleman from Tennessee yield to the gentleman from Pennsylvania?

Mr. HULL. Yes.

Mr. GRAHAM of Pennsylvania. In the illustration just made would not each one of the lessees retain the tax? And if the rent became due in the first six months of the fiscal or calendar year would they not retain it or keep it until the time of the payment to the collector? And what good purpose to the Government is subserved in that respect?

Mr. HULL. This $4,000 provision about which the gentleman from Pennsylvania complains, down near the bottom of page 141——

The CHAIRMAN. The Chair directs the attention of the gentleman from Tennessee to the fact that he has consumed eight minutes.

Mr. HULL. My time is up, then.

Mr. MANN. I should like to have a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. GRAHAM].

The amendment was rejected.

Mr. GREEN of Iowa. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend by striking from line 12, page 144, the words "such person has other net income" and inserting in lieu thereof the following: "The entire net income of such person is of such amount as to make it subject to the additional tax as in this section provided."

Mr. MANN. I yield to the gentleman from Iowa four minutes.

The CHAIRMAN. The gentleman from Iowa [Mr. GREEN] is recognized for four minutes.

Mr. GREEN of Iowa. Mr. Chairman, I entirely agree with the gentleman from Tennessee [Mr. HULL] as to the necessity of taxing the income at the source. While the income tax is the fairest, the most just, and the most equitable method of levying a revenue, it is at the same time the easiest evaded, and the method which the gentleman from Tennessee [Mr. HULL] has undertaken to apply here is for the purpose of preventing such evasions. So far I agree with him, and so far I desire to cooperate with him; but I think that, inadvertently or otherwise, the provisions of this bill fail to carry out his intentions. The gentleman from Tennessee [Mr. HULL] has entirely failed to answer the argument of the gentleman from Minnesota [Mr. ANDERSON], as I view it. It is true that on page 134 there is a provision that every person subject to the additional tax shall make a personal return thereof; but there is also another provision, on page 126, that in making this return he may deduct the amount which is received from dividends upon stock or from the net earnings of any corporation, joint-stock company, association, or insurance company which is taxable upon its net income, as hereinafter provided.

Now, if in making his returns, in order to ascertain the net income, he may make this reduction, then in case he is liable to the surtax, he escapes it entirely on that income.

Mr. HULL. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. HULL. I wish to direct the gentleman's attention to the fact that the normal tax is paid in three ways, and the additional tax, as it says, is additional to the normal tax, and on the net income which is made subject to the normal tax. Now, the normal tax of 1 per cent——

Mr. GREEN of Iowa. I am sorry that I am unable to yield to the gentleman further, but I have only four minutes. I can not give the gentleman further time. I wish to call attention to my proposed amendment which I have offered here. As the third paragraph on page 144 stands it now reads—

Any person for whom return has been made and the tax paid, or to be paid as aforesaid, shall not be required to make a return unless such person has other net income, but only one deduction of $4,000 shall be made in the case of any such person.

Now, the question arises, What is "other net income"? It can mean but one thing—other net income upon which this tax has not been paid. This normal tax has been paid by the corporation or firm which may retain and pay it, and if the person whose tax is thus deducted has no other income except from stocks or bonds that has been paid in this manner, then, notwithstanding the income may be above $100,000 a year, he will only be required to make a return which will make him pay the normal tax. The amendment that I have offered is in such form that it will specially meet that situation, and if his entire income is in excess of the amount so as to make it liable for the additional tax, then he will be required to make a further return.

Conceding everything that the gentleman from Tennessee has said with reference to other provisions of the bill for the sake of argument, because I do not admit it, this provision in paragraph 144 is in direct conflict therewith, and ought to be—and I am satisfied will—eventually be corrected.

Mr. MANN. Mr. Chairman, I believe I have nine minutes remaining. Four minutes were to be given to the gentleman from New York [Mr. CALDER], who has an amendment to a subsequent paragraph. I relinquish that four minutes, so that I now have five.

Mr. Chairman, it was a Republican Congress that submitted the income-tax resolution to the States for ratification, and I had hoped that when the income-tax proposition in this bill was reached it would be considered from a nonpartisan standpoint, and that amendments and suggestions from this side of the House might receive careful attention from the other side of the House. But apparently we are to be treated in the same manner on this section that we were on the tariff provisions in the bill, and however meritorious the suggestions may be from this side of the House it is not the intention of the other side of the House to accept them.

Last night I offered an amendment to strike out from the bill the provision which exempts the compensation of the present President of the United States during the term for which he has been elected. This bill provides for a return at the end of this calendar year for all income received during the year. Now, in exempting the present President of the United States we may assume that the exemption is for one of two purposes—one, because the gentlemen desired to curry favor with the President, which I think would be beneath them, and I do not charge; and the other, because of the constitutional provision that the compensation of the President shall not be reduced.

But, if that be the reason, does it not equally apply to the two months and four days during which President Taft drew his compensation? If we can not reduce the compensation of the President of the United States during his term of office, can we reduce it after his term of office expires?

That leads me to the suggestion, what right have we under the constitutional provision to levy an income tax upon incomes received before the ratification of the amendment. Certainly, if we have the right to go back and tax incomes from the first of the year, and you propose to exempt your President—as you delight in calling him, but I will say our present President—from the payment of the tax, then you must exempt the payment of the tax on the salary drawn by President Taft during this year.

I doubt very much whether we have the power to extend the tax back of the time when the amendment was promulgated and ratified. If we can extend the tax back three months, can we not equally as well extend it back three years? If we can extend it back three years, we can extend it back to the foundation of the Government. What right have we under the Constitution to assume that the income-tax provision was in the Constitution before it was ratified? I know the suggestion will not meet with great consideration on the other side of the House. Nothing we can say over here will affect them, but what the people will say the next time they get a whack at them will greatly astonish them. [Applause on the Republican side.]

The CHAIRMAN (Mr. SLAYDEN). The question is on the amendment offered by the gentleman from Iowa [Mr. GREEN].

The question was taken, and the amendment was lost.

The CHAIRMAN. Section G is now open for amendment.

Mr. STAFFORD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

On page 145, line 21, after the comma following the word "member," insert the following: "or to any insurance company or association which conducts all its business solely on the mutual plan and only for the benefit of its policyholders or members, and having no capital stock and no stockholders or shareholders, and holding all its property in trust and reserve for its holders or members."

Mr. STAFFORD. Mr. Chairman, the provision in the bill to which this amendment applies excepts from the income tax fraternal insurance associations, building and loan associations, mutual savings banks, and other associations of a similar character.

The purpose of this amendment is to include mutual life insurance companies which are carried on solely for the benefit of the policyholders, and holding all of their property in trust, reserved for the members of the associations. Since the bill was first introduced the inclusion of mutual life insurance companies has been remedied in part by a committee amendment adopted yesterday afternoon, which exempts the principal of the amounts paid by the policyholders to these companies from the income tax. But if it is proper, I respectfully contend, to exempt fraternal insurance societies and mutual savings banks from the income tax, then it is proper to extend that exemption to mutual life insurance companies. These large associations are not formed for the benefit of any stockholders or shareholders, but exclusively for the benefit of policyholders. It may be argued that under the corporation tax in the Payne Tariff Act these insurance companies were subjected to a tax of 1 per cent, as is provided here; but if that is the case there is no reason why in this instance, exempting fraternal beneficiary insurance associations, you should not also extend that exemption to mutual life insurance companies. If this tax is going to be levied upon them, every policyholder will bear part of the tax. These amounts that will be taxed—so-called abatements, as referred to by the gentleman from New York [Mr. GOULDEN] last evening—are savings on administrative expense, allowances for greater interest receipts, savings on amounts of premiums, and the like. They will be taxed, and the tax will fall indirectly on the many millions of policyholders, the policies of these mutual companies averaging about $2,000. This income-tax provision, with the $4,000 exemption, will extend only to 1 per cent of the entire population of the country, and by extending this tax to mutual life insurance companies you are levying a tax on millions who are seeking to protect themselves and their families, just as every other individual who enters a savings account seeks to protect himself.

If there is any justification for exempting fraternal insurance companies—and I have no objection to those meritorious institutions being exempted as provided here—certainly the same argument should apply to these insurance societies, because fraternal insurance companies are organized on the same line. Many of them have premiums instead of assessments, and most of them have reserves which are drawing interest for the benefit of the policyholders of those associations, but such funds are exempted from this tax.

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

Mr. STAFFORD. Yes.

Mr. MOORE. The gentleman has indicated that the average policy in these companies does not exceed $2,000. It is surely within the range of $2,000 to $2,500. Is the gentleman informed as to the average amount of premium paid per year?

Mr. STAFFORD. I can not tell the gentleman.

Mr. MOORE. I can tell. It is $100 per annum, and that involves five to six million people who are policyholders of this kind in the United States.

Mr. STAFFORD. That only confirms the statement that this tax will apply to the poorer class of the people who are seeking to invest their funds and provide for relatives or for themselves in the case of endowment policies. The bill exempts an income of $4,000, which may be the interest return of a person worth $100,000, and yet you indirectly tax the policyholder, the average principal of whose policy is from $2,000 to $2,500, who may be, and often is, making many sacrifices to provide for his family on his death.

This is one of the incongruities of the income-tax provision and should be remedied by the adoption of the amendment.

Mr. MOORE. Mr. Chairman, I move to strike out the last word.

Mr. UNDERWOOD. Mr. Chairman, one moment. I ask unanimous consent that debate on this paragraph now close.

Mr. ANDERSON. Mr. Chairman, I would like to offer an amendment to the paragraph.

Mr. MANN. There are a number of amendments to be offered from this side to paragraph G.

Mr. UNDERWOOD. I will ask unanimous consent that debate on the pending amendment close in five minutes.

Mr. MANN. Suppose we dispose of paragraph G by the subparagraphs that are in it?

Mr. UNDERWOOD. I would like to know how many gentlemen have amendments to offer—one, two, three, four gentlemen indicate they have amendments.

Mr. BORLAND. Mr. Chairman, reserving the right to object, I desire to reply to the amendment of the gentleman from Wisconsin [Mr. STAFFORD].

Mr. MANN. There are more than four over here.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on the pending amendment of the gentleman from Wisconsin close in 10 minutes, 5 minutes to be allotted to the gentleman from Pennsylvania [Mr. MOORE] and 5 minutes to the gentleman from Missouri [Mr. BORLAND].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MOORE. Mr. Chairman, one of the clearest expositions of this question of mutual life insurance companies appears in an editorial in the Philadelphia Record of this morning. The Record is, perhaps, the foremost straight-out Democratic newspaper in the United States, and it fully understands what the people think about this question of taxing the earnings of those who make their investments on this mutual plan for the purpose of protecting their widows and children. I will ask the Clerk to read this editorial.

The Clerk read as follows:

A large part of the "dividend" paid to policyholders in mutual life insurance companies does not represent profit, but is a drawback. To meet possible contingencies, such as abnormal mortality in consequence of an epidemic, the premiums on insurance are larger in amount than would be required under normal conditions. When the anticipated extra hazards fail to materialize these excess premiums are returned to the payer of the same. This part of a life insurance dividend is not "income" in any proper sense of the word, and ought not to be taxed as such. This is one of the features of the proposed income-tax law which needs revision in the Senate if it should not be revised in the House.

Mr. MOORE. Mr. Chairman, that is an expression from a very high Democratic authority. In addition to that statement it may be said that what it pertains to affects five or six millions of policyholders in mutual life insurance companies. Most of them have less incomes than $4,000. The average of policies in force in all the mutual companies is about $2,500, and the annual premium averages only about $100. It seems in this instance that it is proposed to tax the income, not of a man who is rich, not of a "malefactor of great wealth," but about 6,000,000 industrious men who have undertaken to lay up their savings through the medium of mutual life insurance to protect those whom they leave behind. It is a matter that ought to appeal to those who desire the common people of the land to have a fair chance.

Mr. BORLAND. Mr. Chairman, there has been a great deal of literature sent out in the last few weeks by the insurance companies, some by the so-called mutual companies, and some by companies that do not call themselves "mutual," containing a great many criticisms calculated to alarm policyholders in regard to the operation of the income tax. I say these statements are calculated to alarm policyholders; I would not

hesitate to say they were designed for the purpose of creating an unnecessary public alarm among people who otherwise know that they would not be reached by this income tax. The idea has been to try to bring home to that class of people the fear that in some way or other they were being reached by the operation of this tax. To say that these circulars are full of misstatements is putting it mildly. Now, we have heard a great deal about the operation of mutual life insurance companies. It is urged that because these companies call themselves "mutual" they are in some sort benevolent institutions, and their earnings should be exempt. As the chairman of the subcommittee well said it is impossible for any man not an actuary to follow in detail all the complications and the juggling of accounts of these insurance companies and to tell how much of their earnings are profit, how much is overcharge of the policyholder they have concluded to return to him, and how much the saving on the cost of their operation. We know that by their own statement a large amount of these so-called dividends are plain overcharges to the policyholder that in the consideration of competition they decide to return to him. While I am a policyholder in two of these companies I am unable to say whether I get any profit out of their earnings or not, but I do know this, gentlemen, that as to the profit they keep themselves, the income tax ought to operate on it, and as to what they return to the policyholder as overcharge or unearned premium, the income tax will not operate upon it. That is what I want to clear up right here and now for the benefit of my own constituents and those of other men who have been affected by such a false charge. These mutual insurance companies, like the Northwestern, like the Massachusetts, like the New York Mutual, like the Connecticut Mutual, have an enormous surplus built up out of some form of profit. If the policyholder is the sole owner of all the earnings, why do not the policyholders get them? But these surpluses are loaned out and invested in competition with other investors who have to pay an income tax. They own mortgages on farms all over your State and all over my State, made out of some form of earnings they have accumulated from your constituents who are their policyholders, and it is on those earnings that they ought to pay the same as any other corporation. Now, I do not know my time will permit me, but I want to call attention of this House to the salaries that are paid by these companies. One of the circulars that has gone out has been signed by Darwin P. Kingsley, president of the New York Life Insurance Co., and according to his own statement he draws $50,000 as president of that company.

Here is one of the men who will have to pay an income tax under this bill, and he is trying to get the small policyholder to help him fight the law.

We have a list here of his other officials. One of them gets $25,000 a year as vice president, another one gets $20,000 a year as vice president. The director general gets in fees and salary $44,700 a year; another director general gets $35,014 a year—from fees and salaries.

Here is another one of these companies of which Mr. Charles Peabody is president, who gets $50,000 a year; James Timson, the second vice president and the financial manager, gets $25,000 a year. And so on, down the list. I do not know what the name of Peabody's company is. The gentleman from New York probably knows, because he is a New York man. What I want to call attention to is this, that the Massachusetts Mutual and the Northwestern Mutual have a large surplus which makes them two of the biggest figures in the financial world. They draw premiums from Missouri, draw them back to Milwaukee, or to New York, or to Hartford, and then they loan them back to us on farm mortgages and on our real-estate loans. They put up office buildings in our cities, and they have an enormous financial power all over this land. Every dollar of that must have been drawn at the very beginning from the policyholder, the little $2,000 policyholder, which the gentleman from Wisconsin [Mr. STAFFORD] talked about. Every dollar that is actually returned to the policyholder ought to be exempt from the income tax and, under the amendments made to this bill by the committee, all such amounts are exempt. If they should return him earnings, and his total earnings are less than $4,000, he will escape the tax, but as to the earnings they do not return him, but keep in the company's invested surplus, they should pay a tax on those the same as anybody else. But there seems to be a deliberate plan on the part of these insurance companies to escape the operation of the income tax. This is the purpose of these misleading circulars. Notwithstanding the fact they have built themselves up into the greatest money-loaning and financial powers in the United States, notwithstanding the fact that for years they have farmed the policyholder of the West, taking his money to the eastern centers and then loaning it back to him upon his own farm and collected the interest and taken that back to the East, they now refuse to bear the income tax.

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

Mr. BORLAND. Yes; if I have the time.

Mr. MADDEN. The question arises if the accumulations of which the gentleman speaks are not the insurance funds for the payment of death losses.

Mr. BORLAND. I anticipated that question. The law requires a legal reserve, but it is evident that these companies have a surplus, and it is the fact that they have a surplus far exceeding the legal reserve. They have earnings that are invested in valuable real estate all over the country which far exceed the legal reserve.

Mr. BARTON. To whom does that reserve belong?

Mr. BORLAND. I do not know. I have two policies of that kind, and I wish I did know. I know that none of it has been paid to me. Their return to the policyholder is in the nature of a rebate or an overcharge which they made on him. They charge him too much premium, or they charge him more than necessary to carry his risk, and therefore they are returning him a rebate on his premium.

Whether they return him the full amount that they honestly should, according to the excess of premium collected, or whether they short change him, I do not know. No one but an expert insurance actuary can tell that. The average policyholder must accept the dividend or rebate which they give him. I simply want to assure you that the amendments made to this section provide that money which the policyholder receives in return premiums or surrender value of his policy, or which his widow or beneficiary receives at his death, are exempted from the income tax. The policyholder is protected, and if the operation of the law in practice shows any injustice to the policyholder it will be further amended. As to the companies themselves, however, it is not intended to exempt their earnings. They ought to pay their income tax to the support of the Government, even if they have to cut down a few $50,000 salaries. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri [Mr. BORLAND] has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. STAFFORD].

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

Mr. MANN. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 68, noes 108.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments?

Mr. ANDERSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 146, line 22, after the word "fire," insert the words "hail, or tornado."

Mr. MANN. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. I suppose this section G is being read by paragraphs. Now, are there any other amendments to the first paragraph of G?

Mr. ROGERS. I have an amendment.

The CHAIRMAN. Are there other amendments to the first paragraph?

Mr. MANN. The gentleman from Massachusetts [Mr. ROGERS] has an amendment to the first paragraph.

The CHAIRMAN. Is the gentleman's amendment to the first paragraph?

Mr. ROGERS. Yes; to the bottom of page 145.

The CHAIRMAN. The gentleman will send his amendment to the desk to be reported by the Clerk.

The Clerk read as follows:

Page 145, line 25, after the word "charitable," insert the words "benevolent, scientific."

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that the debate on this amendment close in six minutes.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that the debate on this amendment close in six minutes. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. ROGERS. Mr. Chairman, I wish to express my concurrence in the remarks made a few minutes ago by the gentleman from Minnesota [Mr. ANDERSON] to the effect that the income-tax portion of the tariff bill is in no true sense a partisan question. It should not be determined by mere considerations of party enrollment. It is a great question, affecting the Ameri-

can people as a whole, and the particular side of the aisle occupied by Members who are expressing an opinion thereon should not be controlling.

It is in this spirit that I offered the amendment which I have caused to be read; and I trust that, although as a matter of party discipline, perhaps, the change can not be accepted at this time, the gentlemen in charge of the bill will at a later time take care of this amendment, which, to my mind, should unquestionably be made a part of the act before its final passage into law.

The words which I have caused to be added will make an exemption in favor not only of religious, charitable, or educational corporations, which are already cared for in the act, but also in favor of benevolent or scientific corporations. In this connection I should like to refer to the language of the Massachusetts statute in this regard, which exempts from taxation literary, educational, benevolent, charitable, scientific, or religious corporations. Three of the six exemptions along this line which the Massachusetts law includes are already in the act as reported, namely, educational, charitable, or religious corporations. I have not included in my amendment the word "literary," although I think there is much to be said for that inclusion also. But I do think that there can be no sound objection to the inclusion of the words "benevolent" and "scientific."

It might be suggested by some that "benevolent" is synonymous with "charitable," and that therefore it is already sufficiently covered by the terms of the act as it has been introduced. But it has been held in Massachusetts that a corporation may be "charitable," within the meaning of the statute, without being "benevolent," and that it may be "benevolent" without being "charitable." Therefore, in view of the undoubted fact, as I conceive it, that we ought to care not merely for charitable corporations, but also for benevolent corporations, it seems to me clear that this word should be added, so as to do no injustice to the latter class of institutions.

As to the inclusion of the word "scientific," I have no especial need, I think, to dwell upon the propriety of that amendment. The great institutions in this country engaged in scientific research—with no purpose of gain or emolument to the institution as a whole or to the members who are concerned therein—certainly ought to be treated on the same basis as religious, charitable, or educational corporations.

Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has two minutes.

Mr. ROGERS. Mr. Chairman, if I may secure the attention of the gentleman from Tennessee [Mr. HULL] I should like to ask him a specific question in regard to a matter which I think has been touched upon more or less collaterally once or twice in the discussion, but as to which no definite answer has been given. Take the case, if you please, of a man who owns a very large amount of stock in a great corporation which returns him on the stock which he owns an income of $100,000 a year. May I ask the gentleman from Tennessee whether under this act, if enacted into law in its present form, such a man would in any way, directly or indirectly, pay the Government a greater tax thereon than he has indirectly paid ever since the corporation tax of 1909 was put upon the statute books?

Mr. HULL. On page 134, after the normal tax of 1 per cent, which is really just an extension in effect of the present corporation tax of 1 per cent to individuals—when that tax is collected on the net income of all individuals and corporations then every individual who has an average net income of $20,000 or over from a corporate source, or any other source, or all other sources, is required to assemble that from these respective sources and under oath make his return to the Internal-Revenue Department for the purpose of this additional tax, and he pays the 1, 2, or 3 per cent on all in excess of $20,000.

Mr. ROGERS. But, Mr. Chairman, it is stated in so many words, on page 136, lines 10 to 14, inclusive, that there shall be deducted—

the amount received as dividends upon the stock or from the net earnings of any corporation, joint-stock company, association, or insurance company which is taxable upon its net income as hereinafter provided.

Mr. HULL. Because the same normal tax is paid for him through the corporation, but not the additional tax. He assembles each category of his income subjected to the normal tax and combines it, and then it becomes subject to the additional tax.

Mr. ROGERS. But does not the gentleman think that, taking the construction most favorable to the language of the bill as it now stands, there is likely to be unending litigation as to whether or not, in a case such as I have put, even the surtax would be collected from the individual?

Mr. HULL. I can not see any possible room for misconstruction.

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Massachusetts [Mr. ROGERS].

Mr. HULL. Mr. Chairman, I simply desire to say in that connection that this bill contains the usual language exempting all corporations of the different kinds mentioned and indicated in the exemption clause. Of course any kind of society or corporation that is not doing business for profit and not acquiring profit would not come within the meaning of the taxing clause of paragraph G. So I see no occasion whatever for undertaking to particularize, because we could find innumerable kinds of these charitable or educational or other organizations called by different names, and there would be no end to it. I think the better way is to follow the exemption clause that has been well defined and understood heretofore without any particular objection.

Mr. SAMUEL W. SMITH. Will the gentleman yield for a question?

Mr. HULL. Certainly.

Mr. SAMUEL W. SMITH. How many income-tax laws have we had in this country?

Mr. HULL. We had those enacted during the Civil War and kept alive until 1871, and then the income-tax law of 1894.

Mr. SAMUEL W. SMITH. What was the lowest amount that was taxed in the income-tax law during the Civil War?

Mr. HULL. Six hundred dollars and up.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. ROGERS].

The amendment was rejected.

The CHAIRMAN. Are there further amendments to this subparagraph of paragraph G?

Mr. HULINGS. I have an amendment.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to offer his amendment to the first paragraph?

Mr. HULINGS. To the second.

Mr. ANDERSON. I have an amendment.

The CHAIRMAN. The Clerk will first report the amendment of the gentleman from Minnesota.

The Clerk read as follows:

Page 146, line 22, after the word "fire," insert the words "hail and tornado."

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in five minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this amendment close in five minutes. Is there objection?

There was no objection.

Mr. ANDERSON. Mr. Chairman, I offer this amendment for the purpose of calling the attention of the committee to what seems to me to be a palpable omission in this section.

The pending paragraph provides for the exemption of mutual fire insurance companies from the tax imposed by the bill. My amendment would include in that exemption mutual hail and tornado insurance companies. In the State which I have the honor to represent in part, and, in fact, in all the grain-growing States, hail and tornado insurance is quite as important as fire insurance. In those States there have been organized large numbers of farmers' mutual hail and tornado insurance companies, for the purpose of protection against losses by wind and hail. They are operated on exactly the same plan as mutual fire insurance companies, and so far as I can see, there is no reason why they should not be exempted from the provisions of this section.

Mr. MANN. Ought not live-stock insurance companies also to be exempted?

Mr. ANDERSON. I think so.

Mr. MANN. They are very common in our country.

Mr. ANDERSON. Now, Mr. Chairman, I want briefly to supplement what I said a few moments ago with reference to the application of this tax to incomes derived from dividends of stock and from the interest on bonds, mortgages, and other indebtedness. I direct the attention of the committee to the language of the section which relates to the collection of the normal tax at the source, particularly to the proviso on page 142, which is as follows:

Provided, That the amount of the normal tax herein imposed shall be deducted and withheld from fixed and determinable annual gains, profits, and income derived from interest upon bonds, mortgages, or other indebtedness of corporations, joint-stock companies or associations, insurance companies, and also of the United States Government not now exempt from taxation, whether payable annually or at shorter or longer periods, although such interest does not amount to $4,000.

Now, Mr. Chairman, upon what is a graduated income surtax levied? I direct the attention of the committee to the language on page 133:

In addition to the income tax provided under this section (herein referred to as the normal income tax) there shall be levied, assessed, and

collected upon the net income of every individual an additional income tax (herein referred to as the additional tax) of 1 per cent per annum upon the amount by which the total net income exceeds $20,000.

What is the net income? I direct the attention of gentlemen to the provisions on page 135:

That in computing net income there shall be allowed as deductions the necessary expenses actually incurred in carrying on any business, not including personal, living, or family expenses; all interest accrued and payable within the year by a taxable person on indebtedness; all National, State, county, school, and municipal taxes accrued within the year, not including those assessed against local benefits or taxes levied hereunder; losses actually sustained during the year, incurred in trade or arising from fires, storms, or shipwreck, and not compensated for by insurance or otherwise; debts actually ascertained to be worthless and charged off during the year; also a reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in the business, but no deduction shall be made for any amount of expense of restoring property or making good the exhaustion thereof for which an allowance is or has been made; no deduction shall be allowed for any amount paid out for new buildings, permanent improvements, or betterments made to increase the value of any property or estate; the amount of income received or payable from any source at which the tax upon such income, which is or will become due, under the provisions of this section, has been withheld for payment at the source in the manner hereinafter provided shall be deducted.

In other words, the net income upon which the surtax or graduated income tax is levied is the income of the individual after the deductions provided for on page 135 have been made.

The gentleman from Tennessee says that that provision only applies to the normal tax, but there is not a line in the section which shows that it only applies to the normal tax; and, in fact, the contrary conclusion is necessarily drawn from its terms, because the section which levies the surtax or graduated tax applies specifically to the net income, while the section on page 135 specifies the way in which that net income shall be determined.

The net income having been determined, the surtax or graduated tax necessarily attaches. Otherwise it can not attach. So that in the case of a man who has an income of a million dollars from mortgages, or from bonds of a corporation, where the normal tax is collected at the source, he will in making out a return say that he received $1,000,000 from a corporation, and upon that $1,000,000 the normal tax has been paid; so he will deduct that million and say that that leaves him no amount at all upon which the surtax can attach.

Mr. HULL. Mr. Chairman, I merely wish to say in respect to this amendment proposed that if any of these kind of associations, as they purport to be, are not doing business for profit and deriving a profit as an association or corporation, of course no tax would be collected. There are a number of so-called mutual associations of different kinds in this country which do business under such methods that when a policy holder pays a premium it becomes the property of the corporation, while there are others doing business under such methods as that the title to the premium paid and unexpended continues to remain in the payor of the premium. There are so many different ways by which business of this kind is conducted that instead of undertaking to particularize it is only necessary, as in the corporation-tax law, to impose 1 per cent on the net earnings of the corporation. If under a proper construction of that rule it would exclude any funds which they possess as not being taxable, or if, on the other hand, it would embrace as actual profits, as in case of mutual insurance companies, certain classes and kinds of profit accumulations, then the tax would be levied upon it.

This would be a matter that in case of a difference of construction the courts would always say whether it had conducted business in such a method as resulted in a taxable profit to the corporation. Otherwise there would be no tax.

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Minnesota [Mr. ANDERSON].

The question was taken, and the amendment was rejected.

Mr. HULINGS. Mr. Chairman, I desire to offer an amendment.

The Clerk read as follows:

Amend, page 140, by striking out after the word "sums," in line 19, the words "other than dividends or returns of premium payments," and inserting after the word "contracts," in line 21, the words "and any other sums paid during the year to policyholders as excess premiums returned."

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this amendment close in five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HULINGS. Mr. Chairman, I understand how irritating it must be to a gentleman who has given a great deal of thought to an intricate subject to be continually pestered by inquiries directed at him by other persons who have given no such attention to the subject, and who, perhaps, are a little bit bonehead, but I beg he will bear with me. The purpose of this amendment is to give me opportunity to inquire of the gentleman from Tennessee [Mr. HULL] whether sums returned from an insurance company in the way of policy payments to the policyholder are taxable under this bill?

Mr. HULL. Mr. Chairman, the corporation-tax law expressly embraced the terms——

Mr. HULINGS. Mr. Chairman, will the gentleman please answer me categorically. Are such sums returned by the insurance company to the policyholder taxable in the hands of the policyholder—yes or no?

Mr. HULL. I can not answer the gentleman without an explanation, as I undertook to make.

Mr. HULINGS. I should think it would be very easy to answer whether those sums are taxable under the act or not.

Mr. HULL. If the gentleman will permit me half a minute, I will try to make it clear. The court, in construing this term, said it was a question of fact, or, rather, a question of mixed law and fact, whether these dividends in every case constituted premium overcharges.

Mr. HULINGS. I was not speaking of the premium overcharges. I was speaking of the sum paid to the policyholder in extinguishment of the policy at the maturity of the policy, or the surrender value at the time the policy is extinguished.

Mr. HULL. I will say to the gentleman that we have construed this amendment to embrace the return of the amount invested, no matter when it is returned, so long as it is returned to the investor during his lifetime.

Mr. HULINGS. If I hold an endowment policy for $10,000 and it came due and the company paid it to me, would I be taxed under this bill for that $10,000?

Mr. HULL. The gentleman would not be taxed on any part of the amount invested which was returned to him in that manner.

Mr. HULINGS. That portion of the sum in the hands of the insurance company that is returned to the policyholder under the misnomer of dividends—excess premiums that had been returned—are they or are they not taxable in the hands of the insurance company?

Mr. HULL. As the courts have construed this term, they are not taxable if they actually constitute naked premium overcharges as distinguished from profits or accumulations derived from other sources.

Mr. HULINGS. I saw a statement the other day that the entire receipts from premiums of one of the insurance companies in New York were $56,000,000, while the gross receipts amounted to $86,000,000, showing a net profit to that concern of some $17,000,000 during the year. That, I understand, is to be taxed in their hands. Of course, they advertise that they have got all this great surplus which belongs to the policyholders, but the policyholders never get any of it. As I understand it, they keep it and allow it to accumulate to stupendous sums, and on those earnings—profits—they surely ought to be taxed. While I am very much in favor of an income tax I regret greatly that it has been brought here coupled with a partisan question, and that it does not receive the attention it ought to receive in this body. Things go right through the other side here under the domination of a caucus. We are obliged to vote this thing up or down. There are a great many intricate questions raised by men of standing and reputation as lawyers and judges concerning the policy, the methods, and the practicability of this bill. They are all at sea as to how this act will be construed by the courts or its effects upon the insurance policyholders. The purpose of this amendment is to make it plain that the insurance companies themselves are not to be taxed on those portions of the premiums which they return to the policyholders.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. The question is on the amendment.

The amendment was rejected.

Mr. CALDER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amend, page 147, by inserting after the end of line 7: *"Provided*, That in the case of corporations, joint stock companies, or associations, the purpose and amount of the portion or the whole of whose indebtedness has been approved by a board or commission or commissioner vested with the power by any State to make such approval, deduction shall be allowed for interest accrued and paid within the year on the amount of indebtedness so approved."

Mr. CALDER. Mr. Chairman——

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this amendment be limited to six minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this amendment be limited to six minutes.

Mr. COOPER. Mr. Chairman, I would like to have about two minutes.

Mr. MANN. This is just on this amendment.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this amendment be limited to 7 minutes, 5 minutes to go to the gentleman from New York [Mr. CALDER] and 2 minutes to the gentleman from Wisconsin. I will make it 10 minutes, 2 minutes to go to the gentleman from Wisconsin.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that debate on the pending amendment be limited to 10 minutes, 5 minutes to go to the gentleman from New York, 2 minutes to the gentleman from Wisconsin, and 3 minutes to the gentleman from Pennsylvania [Mr. PALMER]. Is there objection? [After a pause.] The Chair hears none.

Mr. CALDER. Mr. Chairman, the provision in this bill relative to the subject of interest on bonded indebtedness reads as follows:

Interest accrued and paid within the year on its indebtedness to an amount of such indebtedness not exceeding its paid-up capital stock outstanding at the close of the year, or if no capital stock, the capital employed in the business at the close of the year.

Mr. Chairman, I have introduced this amendment because my attention has been called to a condition of things that happens to exist in the city of New York at this time. On March 19, 1913, the city of New York entered into an arrangement with the public-service corporations of that city by which the city and these public-service corporations will construct an extension of our subway and elevated railway system. The extension of this system will cost in the neighborhood of $400,000,000. The city incurs about one half the expense and the public-service corporations incur the other half. Now, it seems that one of these public-service corporations—the Interborough Co. of New York—has a capital stock of $35,000,000. They propose under this arrangement with the city to issue $170,000,000 worth of bonds, these bonds having been approved by the public-service commission of the State, which commission was appointed by the governor. The Brooklyn Rapid Transit Co. proposes to issue $100,000,000 worth of bonds on a capital stock of $2,000,000. Now, it appears that to the extent of $35,000,000, the interest on the bonds of the Interborough Railroad Co. can be charged off as an expense of that company, but the interest on $135,000,000 of their bonds can not be charged off as an expense. In regard to the Brooklyn Rapid Transit Co. the interest on $2,000,000 of their bonds can be charged off as expense, but the interest on $98,000,000 can not be charged off as expense of that company. Now, the interest on these bonds which these companies have to pay so they may carry out their agreement with the city of New York, bonds approved by the public-service commission of the State, the interest on these aggregates $11,650,000, which can not be charged as exemptions.

In addition to this inequity to the public-service corporations, the same provision of the bill so injuriously affect the city of New York as to require the amendment suggested. Under the recent contracts for the new subway and rapid-transit railroad system in the city of New York, which the city is to share with each of the grantee companies by way of a division of annual profits after the deduction of certain specified charges from the operating revenue, one of the charges, which is to be deducted before any calculation of the divisible profits is made, is that of all taxes. Therefore, any legally imposed new tax, no matter how inequitable, which would increase the deductions which the operating company is to make from its gross revenue in any one year, decreases the divisible revenue by the amount of the increase or inequitable portion, and consequently decreases the city's proportion. Furthermore, the provisions of the operating contracts are such that the fixed charges which are to be deducted before the divisible revenue is ascertained are cumulative, so that if—as is now believed—the results of operation of the completed subway and rapid-transit system will not show divisible revenue for the first few years, the amount by which the fixed deductions exceeds the gross revenue will be added to and accumulate against the revenue for the succeeding years. Therefore, every additional or unjust tax which the operating companies must pay will, by just that amount, postpone the time when the city will share in the profits. This situation clearly demonstrates the vital interest which the city of New York has in this provision of the bill. So far as the Interborough Co. is concerned the bill in its present form would make the city lose one-half of the annual tax imposed by this unjust provision. That means $33,750 yearly. So far as the Brooklyn Rapid Transit Co. is concerned the bill in its present form would impose an additional loss upon the city of New York of $24,500, making a total annual loss to the city of New York of $58,250, and an equal loss to the companies above referred to.

I know this matter has been discussed with some of the members of the Ways and Means Committee. I know it has been discussed with the gentleman from New York City on that committee, and I think he understands fully the situation. I saw a moment ago a gentleman on the other side of the Chamber, my colleague (Mr. METZ), who was formerly comptroller of the city of New York and who has had to do with the administration of that great city, and if he is in the room I will be glad to call upon him to substantiate my statement that the city of New York will actually lose out of its treasury an amount equal to something over $58,250 unless this bill is amended as I suggest. Now, I know the outcry will generally be that these corporations which issue great quantities of bonds in excess of their stock should be taxed. I want to say to you that this is something that is an unusual thing. It is something that ought to be done to meet a situation in New York City in which we are expending a vast sum of money in developing our transit facilities. All this has been done properly, and has met the approval of our mayor, the board of assessment and apportionment, the public-service commission, and it seems to me very unjust that the city of New York should be called upon to stand this unusual expense.

The CHAIRMAN. The gentleman from Wisconsin [Mr. COOPER] is recognized for two minutes.

Mr. COOPER. Mr. Chairman, when I requested time, I announced that I desired it only for the purpose of asking a question of the gentleman from Tennessee [Mr. HULL]. Day before yesterday I propounded the question to the gentleman, but it has not yet been answered. The gentleman said that he would reply to it when we reached the proper stage in the bill. This is the question: Suppose that a policyholder is to pay $150 a year as a premium on a life insurance policy and there is $25 of refund; would he, the policyholder, in making his income return, be obliged, if this bill becomes a law, to put in that $25 as a part of his income?

Mr. HULL. If the insurance company had not paid the normal tax of 1 per cent out of its net earnings, on which this dividend was declared to the policyholder, he would. If the company had paid it, he would not. That is, if it was net earnings and not some premium overcharge.

Mr. COOPER. But how would a farmer, living 25 miles from a railroad, know whether the insurance company had done this or not. And yet if he failed to make a proper return of his income he would suffer the penalty imposed by the law.

Mr. HULL. If I understood the gentleman's question, a person who takes out insurance and gets back dividends which constitute a profit——

Mr. COOPER. Oh, that is the whole question. The gentleman does not answer the question.

Mr. HULL. Perhaps I did not grasp the question.

Mr. COOPER. I have asked it three or four times, and nobody has answered it. If a man has to pay a premium of $150 a year on his policy, and the company announces to him that there is a refund of $25, must the holder of the policy in making the income-tax return put in the $25 as income?

Mr. HULL. The gentleman and I understand each other now. I tried to state this morning, and last evening also, that under the construction of the word "dividend" any sum paid back to the stockholder constitutes a part of the premium paid. That portion, as the law has been construed, would not be subject to any tax of any kind, either to the company or to the policyholder.

Mr. COOPER. Would he have to include it, then, in reporting the amount of his income?

Mr. HULL. No; I do not understand it so at all. That is simply capital which he has invested in the company and had returned to him. It does not constitute income.

Mr. PALMER. Mr. Chairman——

The CHAIRMAN. The gentleman from Pennsylvania [Mr. PALMER] is recognized for three minutes.

Mr. PALMER. I wanted to say a word in reference to the amendment offered by the gentleman from New York [Mr. CALDER]. I did not hear the amendment throughout, but I think I understand the principle which is involved in the objection which is made by the companies he mentions, the New York surface, and elevated, and subway railway companies. The corporation tax law now allows a corporation in making up its return to deduct the interest on its bonded indebtedness only up to an amount equal to its capital. The case of the New York railways is a pretty hard one, because their capital stock is comparatively very small, and their bonded indebtedness is very large, and they insist upon a different rule being made to apply to them, because all their financial operations and arrangements have been made under the supervision of and have received the approval of the Public Service Commission.

Now, if public service commissions were in operation in every State in the Union, and were controlling and approving every issuance of bonded indebtedness, there would be much in the

argument presented by these gentlemen from New York, but the trouble is if we would come to their relief in this law we would make an invidious distinction which would operate against the interests of men who have arranged their affairs with equal honesty and with equal desire to do what the law intends in the various States, without the approval of a public service commission or board.

In other words, every State in the Union requires that bonded indebtedness shall be issued only for value, and there are many corporations, probably most of them, where, without the supervision of a public service board or commission, such bonded indebtedness has been issued only for value, and if it so happens that it does exceed the amount of capital stock, they are really in the same position as these New York people. Yet the gentleman's amendment would not give them any relief because they do not have any commission or board in their State to supervise their operations. The rule was in the corporation tax law originally because without it there would be an easy, open avenue for persons, who wanted to do so, to get around these provisions of the law in the various States, and avoid the payment of the corporation tax.

I think, if we were to write the provision in the law as the gentleman suggests, we would be doing more harm to equally honest men in other parts of the country than we would be doing of benefit or fairness to those for whom he speaks.

The CHAIRMAN. The question is on agreeing to the amendment proposed by the gentleman from New York [Mr. CALDER].

The question was taken, and the amendment was rejected.

Mr. RUPLEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. RUPLEY] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 146, by inserting, after line 11 and after the word "property," the following: "*Provided*, That the tax herein imposed upon annual gains, profits, and incomes shall include all stocks, scrip, or securities of any description issued by persons or corporations of any kind, for them, to them, or by them. Proof that the said stock, scrip, or securities have no value shall not exempt them, said persons or corporations, from a tax imposed by the provisions of this bill."

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in six minutes.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that all debate on this amendment be closed in six minutes. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. RUPLEY. Mr. Chairman, I want to say to the gentlemen on the other side of this House that this amendment does not come from one hostile to all the provisions of this bill. I have asked here that watered stock, scrip, and other securities be treated as income and profits and taxed under this bill.

Under the bill passed in 1894 the court decided that—

Frequently a corporation pays a dividend in scrip. Whether such a dividend is evidence of profits, the statute does not declare. (Income act of 1894.)

That is also true with respect to this bill. Now, the court also decided that—

The answer to this question will depend upon what that dividend actually represents. If the security or stock thus issued is pure water and does not represent any actual profits, no tax on that account can be imposed. (See Foster and Abbott on Income Tax Law of 1894.)

Now, I ask by my amendment that we declare here that as to such stock issued, and be such stock valued by the corporation at $50 par or $100 par; or if it is a bond, be that bond valued at $100 or $500 or $1,000, we take the corporation's word for it, that it represents value and that that bond or stock or scrip be taxed under this bill.

My reason for asking for the insertion of this paragraph is that I may go on record against the watered-stock proposition, to wit, counterfeit scrip and bonds issued to cover immense profits not based on real value. This dishonest procedure is a fraud on labor and consumer alike. An honest effort to control this evil and permit the real profits of corporations to stand the scrutiny of the law and the public can not help but improve conditions for labor and the corporations as well, for then the demands made upon corporations can be better regulated and controlled, because the public, by arbitration and otherwise, can support and respect a settlement dealing fairly with the matters involved. Hidden profits, and even suspicion of what, perhaps, does not exist, largely contribute to the cause of labor strikes, and this provision will help to avoid the strike and its effects on business as well as the threatened dangers to government.

The Democratic Party has been the party of negation and opposition. Now, the Republican Party is assuming the same rôle. Why can not we really attend to business and quit playing policy.

In the matter of voting for this bill, I want to say that in the light of the fact that it declares for free wool, free sugar, free meat and other necessities, and while I do not approve of it in toto, its secret caucus appendage and its unscientific preparation in many directions, it is along the line and in the direction of the will expressed by the voters of this Nation at the last election. I am thoroughly in accord with the declaration in our Progressive platform that—

We believe in a protective tariff which shall equalize conditions of competition between the United States and foreign countries, both for the farmer and the manufacturer, and which shall maintain for labor an adequate standard of living.

Primarily the benefit of any tariff should be disclosed in the pay envelope of the laborer. We declare that no industry deserves protection which is unfair to labor or which is operating in violation of Federal law. We believe that the presumption is always in favor of the consuming public.

We demand tariff revision, because the present tariff is unjust to the people of the United States. Fair dealing toward the people requires an immediate downward revision of those schedules wherein duties are shown to be unjust or excessive.

We pledge ourselves to the establishment of a nonpartisan, scientific tariff commission, reporting both to the President and to either branch of Congress, which shall report, first, as to the costs of production, efficiency of labor, capitalization, industrial organization and efficiency, and the general competitive position in this country and abroad of industries seeking protection from Congress; second, as to the revenue-producing power of the tariff and its relation to the resources of Government; and, third, as to the effect of the tariff on prices, operations of middlemen, and on the purchasing power of the consumer."

I want to go on record that in my congressional experience, be it short or long, I will stand solely for the wishes of the constituency of my State and the good of the whole Nation and her people. I can answer my conscience in voting for this bill, and I believe the public want some relief from a condition that has grown intolerable for the reason that the dollar which it earns is not returned to it in value received.

The platform upon which I was elected declared for a reduction of the tariff downward. Pennsylvania, on the Republican Progressive and Democratic tickets, declared for a revision downward. I can not vote for a bill such as the Payne bill and justify my action. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. RUPLEY. Mr. Chairman, beginning where I left off when I was interrupted on the expiration of my time, I will read:

URGE PROGRESSIVISM TO COMBAT SOCIALISM.

We urge a program of progressive government action. Nothing else will still the widespread and menacing unrest. Social and industrial justice must be made the rule and not the exception. Contentment of the people, which rests upon their well-being, will alone in the long run make property secure. This is an irrepressible conflict. It can not be evaded. To temporize with it is to invite great national peril.

Laws for social and industrial justice must be enacted to square with modern economic conditions. The people no longer are held tightly by party ties. Already the dangerous doctrine of socialism is looked upon with favor by millions of our people as the only hope for relief or for revenge. Socialism grows upon social and economic injustice, and upon nothing else. Give to the masses that justice to which they are entitled and socialism in America will cease to be a threatening factor in our civilization.

We do not favor confiscation. We do not favor a redistribution of wealth. We reject the principle that all shall be rewarded equally. But, most strongly, do we demand a restoration and a continuance in this country of equal opportunity for all and special privilege for none.

Great private fortunes were made, in large part, under almost universally sanctioned business practices which our awakened social and economic senses now condemn. But all we ask is that the possessors of these fortunes shall be restrained from using their immense power against the public good. And we sincerely believe that in the future great fortunes will be safeguarded and conserved in the same degree in which their possessors will have ceased to use them in the spirit of social and industrial injustice.

Thus declared the Progressive platform of last summer, passed by the Republicans of the State of Pennsylvania in the State convention, the supreme body of the party in the State. Now, in explanation of the position that I am going to take on this bill as well as on this amendment, I desire to read from a home newspaper to show my consistency in subscribing to this bill. This paper, of large circulation in central Pennsylvania, editorially published the following:

Before the Progressive Party was thought of, Mr. RUPLEY denounced President Taft's veto of the wool schedule presented him by the last Congress. Since then the Progressives have been denouncing the Payne-Aldrich bill on every appropriate occasion. True, their platform calls for a tariff commission, but that is out of the question now. It is a choice between downward revision and the Payne-Aldrich bill, and Mr. RUPLEY, it is reported, will choose the former.

And when the other day I condemned the high-tariff rates of the Payne-Aldrich bill and plead for the true protective system, a newspaper of Pennsylvania of large circulation, and one of the leading organization papers, printed as a news item the following:

RUPLEY LAUDING WILSON.

The attitude of Representative RUPLEY toward the Underwood bill occasioned no surprise among Republicans. In a speech delivered in the House last Friday, he attacked the principle of protection, lauded President Wilson, who, he declared, was making good, and virtually went on record for the Democratic bill when he said: "The present tariff bill is an attempt to meet the demands of an aroused public

conscience. They realize that the tariff must be revised downward and that nothing else will appease the public's ultimation." RUPLEY was nominated by a Republican convention in Pennsylvania and was elected as a Republican candidate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. RUPLEY. I should like to have an extension of a few minutes to explain the position I am taking on this bill.

Mr. UNDERWOOD. I should like very much to grant the gentleman's request, but I have uniformly refused to consent to any extensions to anybody, and I will have to ask the gentleman to take his additional time on another paragraph of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. RUPLEY].

The amendment was rejected.

Mr. MOORE. I offer the following.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORE] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 146, line 19, after the word "cash," strike out all down to and including the word "contracts," on line 21, and insert the following: "*Provided*, That nothing herein contained shall apply * * * to any insurance company or association which conducts all its business solely on the mutual plan and only for the benefit of its policyholders or members, and holding all its property in trust and in reserve for its policyholders or members; nor to that part of the business of any insurance company which is conducted on the mutual plan, separate from its stock plan of insurance and solely for the benefit of the policyholders and members insured on said mutual plan, and holding all property belonging to and derived from said mutual part of its business in trust and reserve for the benefit of its policyholders and members insured on said mutual plan."

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this amendment be limited to 10 minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this amendment be limited to 10 minutes. Is there objection?

There was no objection.

Mr. MOORE. Mr. Chairman, I desire to have this amendment in the RECORD in this amended form. It relates to the question of the exemption of mutual life insurance companies, an exemption which has been granted to building associations, mutual fire insurance companies, and other associations operated for the benefit of the members.

I do this also for the purpose of saying a word concerning the remarks of the gentleman from Missouri [Mr. BORLAND], which to a certain extent had a provincial touch. I would not accuse the gentleman from Missouri of being unfair even to capital, and I know that he believes he is pleading the cause that he thinks he fairly represents in this House. He finds fault with the eastern insurance companies because they put mortgages upon western farms, because they issue their accumulations of capital to encourage industry in the West. From my point of view that is one of the merits of these mutual insurance companies. They do put money into western farms. They do put money into western enterprises. They put money into southern enterprises, they put money into Pacific coast enterprises, and it is entirely to their credit and to the credit of the men whose money is at stake that these investments are made. It tends to circulate money throughout the country and to improve our general civilization.

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

Mr. MOORE. I yield to the gentleman from New York.

Mr. GOULDEN. I should like to ask the gentleman with regard to the surplus of the various mutual insurance companies dwelt upon by the gentleman from Missouri at some length and with emphasis as "these great aggregations of capital" which ought to be taxed. Can the gentleman from Pennsylvania tell us something about this matter?

Mr. MOORE. One of the troubles with the gentleman from Missouri [Mr. BORLAND] and a number of other gentlemen who have spoken upon this matter is that when they see a statement of figures it staggers them. They can not understand why there should be so much money in the world. They can not understand that it belongs to individuals somewhere; and the trouble with the gentleman from Missouri in the matter of this surplus proposition is that he can not understand that the surplus is substantially a reserve in these companies to meet possible losses from epidemics, panics, or other unforeseen causes. It is fair to assume that if the reserves of fire insurance companies, some of which are exempted in this bill, were not held by them in the form of surplus, then in the event of a great conflagration, like that at San Francisco, they could not meet their losses. So it is presumed that in the event of a yellow-fever epidemic or something of that kind unless a life insurance company was prepared, just as a national bank is forced to be prepared to meet emergencies with a reserve, it could not meet the demands made upon it.

Mr. GOULDEN. Will the gentleman pardon a statement right there?

Mr. MOORE. Certainly.

Mr. GOULDEN. The purposes as the gentleman has stated, but also when depression or panic occurs in the country the first thing the policyholder wants to know is if his policy will be paid 100 cents on the dollar beyond the shadow of a doubt.

Mr. MOORE. He wants to know if his money is safe. That is what the policyholders in the district of Missouri will demand. Let some great crash come in Wall Street, or some large banking institutions fail, let the rumor go abroad that there is trouble in the financial market, and the policyholder who has invested his savings in a policy in an eastern company wants to know if his policy is protected, which is something that the gentleman from Missouri fails to observe. This reserve is to protect the policyholder absolutely.

Mr. GOULDEN. The gentleman doubtless knows that it is less than 10 per cent, and is necessary in times of depression to absolutely guarantee the payment of all claims of every kind and character. Will the gentleman pardon me another question?

Mr. MOORE. Yes.

Mr. GOULDEN. The question of salaries was alluded to at some length by the gentleman from Missouri. Does the gentleman know of any mutual savings banks where they handle less than 20 per cent of the money handled by the larger mutual life insurance companies in which the salaries run up to $25,000 a year and even higher?

Mr. MOORE. They are exempted by this bill, and they pay a president that salary and sometimes more. They do it because they want to secure a man who can, by his reputation and ability, protect the interest of the policyholders and give them that confidence that we want them to have.

Mr. GOULDEN. And they handle immense sums of money—fifty to seventy-five million dollars annually—with little or no loss.

Mr. MOORE. Yes.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE. I do not know that any other Member wants any time on this.

The CHAIRMAN. There are 5 minutes remaining.

Mr. MOORE. I ask unanimous consent that I may have 2½ minutes of that.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that he may have 2½ minutes of the 5 minutes remaining. Is there objection?

Mr. MOORE. I will print as a part of my remarks the following letter:

THE PENN MUTUAL LIFE INSURANCE CO.,
Philadelphia, April 29, 1913.

Hon. J. HAMPTON MOORE, *Washington, D. C.*

DEAR SIR: We most respectfully but earnestly urge upon you the same exemption from the income-tax bill for mutual life insurance companies that you have granted to beneficial associations, savings-fund associations, building and loan associations, mutual fire insurance companies, etc., with which classes they are fully identified, because they perform equal or greater service without possibility of any profit.

Mutual life insurance companies represent between five and six millions of policyholders, most of whom have less income than $4,000, as indicated by the average policy in force in all the mutual companies being but $2,500 and calling for an annual premium of less than $100.

Notwithstanding the large number of persons holding membership in mutual life insurance companies on whom the tax bill will be imposed, the aggregate revenue from all of them will be comparatively inconsiderable to the Government. Why discriminate against so many persons who should be consistently exempted without materially diminishing revenue?

Mutual life insurance companies were not organized with any idea of profit; have no shares; make no earnings; but realizing the importance of solvency stipulate for a premium to meet every probable emergency. Then as savings are effected they are credited annually to the policyholder in abatement of premium, thus diminishing his payments.

Our effort is not against stock companies, but for the mutual ones. We can not imagine a single stock company mutualizing to escape the tax on its income; the extra cost through the income tax will be trifling in comparison with the opportunities for profits to the stockholders. Mutualization will be most difficult to arrange with equity to all interests, as can be easily demonstrated.

Investments by mutual life insurance companies are made for the same purpose as those by the companies exempted, which is to add to the savings of the policyholder, and are applied to lessen the cost of the insurance and thus lighten the burden of the insured.

With mutual life insurance companies exempted you will relieve all those unselfish organizations incorporated and successfully operated for the benefit of mankind, and especially that institution which by the protection of the family and the encouragement of thrift and ultimate relief of government in the case of the otherwise indigent is most worthy.

What can be the excuse for making this exception, which, in fact, is the one institution that stretches its broad arms wider in its beneficence than any of the others?

The large number of deserving persons relieved will make the action popular; it will be consistent, therefore defensible; it will be in the interest of humanity, therefore a right service; it will not materially

lessen revenue, therefore not depart from your purpose. Let us pray that you will place mutual life insurance companies in the exempted class.

Yours, very truly, L. K. PASSMORE, *Vice President.*

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken, and the amendment was lost.

Mr. ANDERSON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amend, page 147, line 18, after the word "therein," by inserting "all sums paid by bankers' associations or trust companies for taxes imposed upon shareholders on the value of their shares of stock therein."

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this amendment be limited to six minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this amendment be limited to six minutes. Is there objection?

There was no objection.

Mr. ANDERSON. Mr. Chairman, I anticipate that 90 Members out of every 100 in this House are in favor of the income-tax principle. Possibly every Member of the House is in favor of that form of taxation. I favor such a tax. It is extremely unfortunate, however, that this section of the bill is brought in under the gag and binding force of a caucus rule—under the whip and spur of party expediency—so that no amendment, no matter how meritorious or necessary, can be adopted in this House. The effect of such a situation can only be that this House will abrogate its prerogatives in the construction of this revenue bill and permit another body at the other end of the Capitol to really write it in its final form. The amendment which I have offered is a fair illustration of this situation. I am not entirely clear in my own mind as to whether it should be adopted or not, but I do desire by it to direct the attention of the gentleman from Tennessee [Mr. HULL] and of the members of the committee to an unfairness which I think exists under this bill. In the State which I have the honor in part to represent and in a great many other States banks and banking corporations are required to collect the tax which is assessed against the stockholders of those banks and remit to the proper county and State officials. I can find no provision in this section which would authorize the bank to deduct from its net income, upon which it is obliged to pay the normal tax, the amount of the State tax paid for the stockholders. It is true that possibly the stockholder himself might be authorized to deduct, but if he is not the bank certainly is not authorized to deduct it from its net income, and consequently would be obliged to pay the 1 per cent normal tax upon the amount which it has paid as State tax in the name of and for the stockholder of the bank. I would like to have an explanation of that feature of the bill from the gentleman from Tennessee.

Mr. HULL. Mr. Chairman, I would say to the gentleman that on page 135, in lines 7 and 8, there is a provision that the individual in computing his net income is permitted to deduct all national, State, county, school, and municipal taxes accrued within the year. It is immaterial whether those taxes are paid by himself or by the bank.

Mr. ANDERSON. I want to direct the gentleman's attention to this fact. In my State, for instance, the stockholder would have no information as to the amount of tax paid by the bank for him. The bank lists the names of the stockholders with the taxing authority of the State, and the tax is assessed against the bank. The bank is individually liable for the tax, and pays it, so that the stockholder has no information as to the amount he is actually paying, because it is paid by the bank and not by him.

Mr. PALMER. Mr. Chairman, does not the stockholder know how many shares he has in the bank?

Mr. ANDERSON. Yes.

Mr. PALMER. Does he not know what the law of the State is as to taxes on that kind of property?

Mr. ANDERSON. He has no knowledge of the amount of the tax assessed for State, county, and municipal purposes.

Mr. PALMER. He knows what the law is fixing the tax.

Mr. ANDERSON. The tax is fixed by the State taxing board. It is not a fixed amount. It is fixed annually.

Mr. PALMER. Does the gentleman mean to say that the stockholder does not know what it is?

Mr. ANDERSON. I do not think one out of a thousand would know.

Mr. HULL. Mr. Chairman, if the gentleman will permit, in making up the income tax in January or February it is for the previous year. They are taxes that really arose the year prior to that, so they would know the amount that had been paid.

Mr. ANDERSON. As long as the bank pays the tax the bank ought to be permitted to deduct that amount from its net earnings. That is, as long as the bank pays the tax to the State it ought to be permitted to deduct that amount from its net earnings in computing the tax that is required to be paid under this bill. There certainly is no consistency in requiring the stockholder to make deductions when the bank pays the tax.

Mr. PALMER. The gentleman's proposition is that the agent shall be allowed to deduct the tax he pays instead of the principal being allowed to deduct the tax paid for him.

Mr. ANDERSON. Yes; I think that would be much easier for both the Government, the bank, and the stockholder.

Mr. PALMER. The proposition here is that as the principal is the person really taxed he should be permitted to make the deduction.

Mr. ANDERSON. I do not think so. The gentleman ignores the facts in the case.

Mr. FORDNEY. In the case of the corporation tax the Government has held and now is enforcing the regulation that money paid by a national bank for State and municipal taxes is not a proper deduction out of the net or total income.

Mr. PALMER. Well, this proposition of the gentleman from Minnesota is entirely different from that, and is intended to cover the law in only four or five States in the Union——

Mr. ANDERSON. There are a good many States.

Mr. PALMER (continuing). Where the law makes the bank pay the taxes not upon its own earnings but the taxes upon the stock of the individual—the individual's taxes.

Mr. FORDNEY. When a State has assessed against a national bank the State tax on its property or on its income, it is not permitted then to deduct it as one of the charges for expenses.

The CHAIRMAN. All time has expired. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was rejected.

Mr. MANN. Has all debate upon paragraph G expired?

Mr. UNDERWOOD. If there are no further amendments.

Mr. MANN. Mr. Chairman, I want to move to strike out the last word.

Mr. Chairman, before we commence the consideration of Section III I wish to call the attention of the House to some communications which I have in regard to the administrative features of the bill, which I now do.

The letters are as follows:

CHICAGO, *April 30, 1913.*

Hon. JAMES R. MANN,
House of Representatives, Washington, D. C.

DEAR SIR: The proposed new administrative act (par. N, Sec. III) provides for the assessment of a fee when protests are lodged against the assessment of duty by the collector of customs. We herewith register our opposition to the imposition of any such fee, and would request that you endeavor to prevent it.

A very large proportion of the Government revenue is derived from the importations of merchandise, and it is, of course, not the purpose of the Government to harass importers, yet this is precisely what the imposition of a fee on protests would amount to, as the small man would be placed at a serious disadvantage in competition with the larger importers where the proportion of the amount of fee would be next to nothing, as their importations are of much larger and fewer bulk. The small man, on the other hand, imports from time to time the quantities which his business demands, and in the course of a year doubtless makes many more importations than the larger importer, but the aggregate amount of duty would be very much less. You will readily see that this would be a decided burden to the small man and give his larger competitor the advantage.

We are well aware that the Government ordinarily tries to protect the smaller man, and we call this matter to your attention in order to secure your aid in our behalf.

Respectfully, CHAS. RUBENS & CO.

CHICAGO, U. S. A., *April 30, 1913.*

Hon. JAMES R. MANN,
House of Representatives, Washington, D. C.

DEAR SIR: We desire to register our strenuous opposition against the assessment of any fee in relation to the filing of protests against the assessment of duties by the collector of customs.

There are already sufficient difficulties and expense in these matters, and we feel that we are laboring now under a burden which is sufficiently heavy.

Yours, very truly, ATWOOD & STEELE CO.,
Per JULIUS STEELE, *President.*

CHICAGO, *April 30, 1913.*

The Hon. Mr. MANN,
Congressman from Illinois, Washington, D. C.

DEAR SIR: We take serious objection to the proposed new tariff regulation naming a fee of any amount for the privilege of calling attention to possible error on the part of Government officials in classification and assessment of the rate of duty on merchandise when imported as ridiculous and absurd, and we want to say right here unless the Government ceases tacking on these little red-tape laws to the importer it is going to hurt the import business materially.

The wholesale milliners pay into the Treasury of the United States hundreds of thousands of dollars every year for duties, and if the

Government continues to harass our business it will only be a question of time until we will be driven out of it.

We would like at the same time to call your attention to the unjust practice of being obliged to pay a duty on the pasteboard boxes that we do not receive a cent for in which our flowers and foliages are packed. This pasteboard box or retainer in which the goods must be packed in order to carry costs 9 cents to 12 cents apiece in this country, and in Europe we are obliged to pay 1 franc (20 cents) apiece plus the duty, making these boxes cost as 32 cents, for which we do not receive one penny, and are an absolute necessity in order to ship the goods, and as much so as it is necessary to have sardines put up in a can.

We trust you will investigate the unjustness of this charge, and remain,

Yours, very respectfully,

WEISKOPF & CO.,
CHAS. A. BROAD,
Vice President.

CHICAGO, *April 30, 1913.*

Hon. JAMES R. MANN,
House of Representatives, Washington, D. C.

DEAR SIR: We desire to register our strenuous opposition against the assessment of any fee in relation to the filing of protests against the assessment of duties by the collector of customs.

As matters are at present we suffer great disadvantages on account of the action which the collector of customs takes in invariably assessing the highest possible rate of duty on the merchandise which we import, and an imposition of any fee on protests will be one more serious difficulty in our way. We feel that we are laboring now under a burden which is sufficiently heavy.

Respectfully,

JOHN L. BOBO & CO.

CHICAGO, ILL., *April 30, 1913.*

Hon. JAMES R. MANN,
House of Congress, Washington, D. C.

SIR: We desire to register our strenuous opposition against the assessment of any fee in relation to the filing of protests against the assessment of duties by the collector of customs.

As matters are at present we suffer great disadvantages on account of the action which the collector of customs takes in invariably assessing the highest possible rate of duty on the merchandise which we import, and an imposition of any fee on protests will be one more serious difficulty in our way. We feel that we are laboring now under a burden which is sufficiently heavy.

Respectfully,

BURLEY & TYRRELL CO.,
F. P. ARMBRUSTER,
First Vice President.

CHICAGO, *May 1, 1913.*

Hon. JAMES R. MANN, M. C.,
Washington, D. C.

DEAR SIR: The right of voicing protest against illegal exactions or duty has always been a free one, but on March 3 of this year President Taft issued an order providing that unless a fee of $1 be paid within a certain period any protest made to the collector against such illegal collection of duties must be considered as abandoned, and the new tariff law proposes this same fee.

It is true that the provision contemplates the repayment of the fee in case the importer is successful when the case is tried, but the effect of the proceeding is tantamount to placing the importer in the position of a creditor who has a just claim against a debtor and to whom the debtor writes that he will listen to his demand for repayment and consider it, but if the creditor fails to convince him he will charge him an extra dollar.

We would thank you to use your efforts in securing a nullification of this order, and the striking out of the provision in the tariff bill.

Yours, respectfully,

FELSENTHAL BROS. & CO.

CHICAGO, *May 1, 1913.*

Hon. JAMES R. MANN,
House of Representatives, Washington, D. C.

DEAR SIR: The proposed new administrative act (par. N, Sec. III) provides for the assessment of a fee when protests are lodged against the assessment of duty by the collector of customs. We herewith register our opposition to the imposition of any such fee and would request that you endeavor to prevent it.

A very large proportion of the Government revenue is derived from the importations of merchandise, and it is, of course, not the purpose of the Government to harass importers, yet this is precisely what the imposition of a fee on protests would amount to, as the small man would be placed at a serious disadvantage in competition with the larger importers, where the proportion of the amount of fee would be next to nothing, as their importations are of much larger and fewer bulk. The small man, on the other hand, imports from time to time the quantities which his business demands, and in the course of a year doubtless makes many more importations than the larger importer, but the aggregate amount of duty would be very much less. You will readily see that this would be a decided burden to the small man and give his larger competitor the advantage.

We are well aware that the Government ordinarily tries to protect the smaller man, and we call this matter to your attention in order to secure your aid in our behalf.

Respectfully,

M. J. NEAHR & CO.,
Per E. H. WATSON,
Secretary and General Manager.

CHICAGO, ILL., *May 1, 1913.*

Hon. JAMES R. MANN, M. C.,
Washington, D. C.

SIR: The right of voicing protest against illegal exactions or duty has always been a free one, but on March 3 of this year President Taft issued an order providing that unless a fee of $1 be paid within a certain period any protest made to the collector against such illegal collection of duties must be considered as abandoned, and the new tariff law proposes this same fee. It is true that the provision contemplates the repayment of the fee in case the importer is successful when the case is tried, but the effect of the proceeding is tantamount to placing the importer in the position of a creditor who has a just claim against a debtor and to whom the debtor writes that he will listen to his demand for repayment and consider it, but if the creditor fails to convince him he will charge him an extra dollar.

We would thank you to use your efforts in securing a nullification of this order and the striking out of the provision in the tariff bill.

Respectfully,

WM. GAERTNER & CO.
WM. GAERTNER.

CHICAGO, *May 2, 1913.*

Hon. JAMES R. MANN,
House of Representatives, Washington, D. C.

DEAR SIR: Please protest against the dollar fee which collectors are to demand upon the filing of protests after July 1 under the order made by President Taft on March 3 last, and which is now proposed in paragraph N of section III of the new tariff. The law gives us a right to file protests, but the fee just about takes away the right which the law gives us. The collector takes duties which we think are unjust, but we can not afford, in many instances, to pay the fee to establish our claim where the individual amounts are small. Under the law we have to file a protest on every shipment that comes in while the case is being litigated, and each entry may have only a few dollars involved, while a great deal of money may be involved in the aggregate. Why should we be compelled to pay a dollar for the privilege of notifying the collector he has made a mistake?

Respectfully,

FALK, WORMSER & CO. (INC.),
By M. L. FALK, *President.*

CHICAGO, *May 2, 1913.*

Hon. JAMES R. MANN,
House of Representatives, Washington, D. C.

DEAR SIR: We ask your kind attention to paragraph N of section III of the new tariff, ordering a collection of a filing fee of $1 on protest against the assessment of illegal duties as well as appeals to reappraisement. This order is a great injustice, and we honorably beg that you protest against this order becoming a law. The schedules of the past tariffs have been written in such a manner that they could be read liberally in a half a dozen ways. Therefore the appraiser, in passing on the class of merchandise, would naturally assess the highest rate of duty. We, the importers, were therefore compelled to file protest on the majority of entries passed through the customs, and as the regulations covering protest are considerably complicated it was necessary that we employ counsel at an expense of 50 per cent contingent. There can be no possible doubt but that the present tariff will be worded in the same manner as the past tariffs and we will again be compelled to protest most of our imports. It would be very simple for Congress to pass a tariff that would be more specific, thereby avoiding the necessity of so many protests.

In view of the above you certainly realize the injustice of this fee of $1 for the filing of protest.

May we ask your cooperation?

Very truly, yours,

KUNSTADTER BROS.,
Per W. J. STELZER.

CHICAGO, *May 2, 1913.*

Hon. JAMES R. MANN, *Washington, D. C.*

DEAR SIR: We wish to register our strenuous opposition against the assessment of any fee relative to filing of protests against the assessment of duties by the collector of customs.

We suffer a great disadvantage on account of the action which the collector of customs takes in invariably assessing the highest possible rate of duty on the merchandise which we import and an imposition of any fee on protests will be one more serious difficulty in our way. We feel we are laboring under a burden which is sufficiently heavy.

Yours, very truly,

CHAPIN & GORE (INC.),
By C. H. HERMANN, *President.*

CHICAGO, *May 2, 1913.*

Hon. JAMES R. MANN,
House of Representatives, Washington, D. C.

DEAR SIR: We are advised that the new administrative act (par. N, sec. III) provides for the assessment of a fee when protests are made against the classifications of merchandise or assessment of duty by the collector of customs.

We beg herewith to register our opposition to the imposition of any such fee, and would request that you endeavor to prevent its adoption.

There have been numerous instances in our own experience where we have felt that duty had been assessed under the wrong classifications and under misunderstandings on the part of the appraisers of the revenue law as applied to our importations. It would seem to be nothing but right and proper that the securing of corrections in such instances be made as easy and free from expense as possible on the part of the importer. In the course of our business we have on several occasions secured corrections as result of such protests filed with the customhouse, and we protest against the charging of any fee for the privilege of calling attention to errors on the part of Government officials.

While it is, of course, not the purpose of the Government to harass importers, the regulations imposing a charge upon protests would seem to have precisely that effect. It would also place the smaller importer at a disadvantage in competition with larger importers, as the amount of the fee would be next to nothing in proportion with larger importers, while on small importations the charge would be larger in proportion.

We are well aware that the Government ordinarily tries to protect the smaller man, and we call this matter to your attention to secure your aid in preventing the enactment of the proposed law assessing a fee.

Trusting that you may give this matter the attention which we believe it merits, we are,

Very respectfully, yours,

THE NONOTUCK SILK CO.,
F. H. BIGGS.

CHICAGO, *May 2, 1913.*

Hon. J. R. MANN,
House of Representatives, Washington, D. C.

DEAR SIR: We desire to register our strenuous opposition against the assessment of any fee in relation to the filing of protests against the assessment of duties by the collector of customs.

As matters are at present, we suffer great disadvantages on account of the action which the collector of customs takes in invariably assessing the highest possible rate of duty on the merchandise which we

import, and an imposition of any fee on protests will be one more serious difficulty in our way. We feel that we are laboring now under a burden which is sufficiently heavy.

Respectfully,

T. BUETTNER & Co. (INC.).

CHICAGO, *April 18, 1913.*

Hon. JAMES R. MANN, M. C.,
Washington, D. C.

DEAR SIR: We understand that there is to be no change made in the new tariff bill on articles in our line.

There are some administrative features in the former bill which, we understand, are taken into this new one, but which we should thank you to kindly use your influence to have changed or modified.

First. We are at present compelled to pay duty on the capacity of a cask, less 2½ per cent, even if such a cask arrives with an outage of 50 per cent or more. This should be changed so that wines and spirituous liquors in bulk would bear duty only on the quantity landed in the United States; in other words, on the actual quantity imported.

Second. Wine and spirits in bulk imported in barrels and warehoused in bond must be duty paid within three years, and this duty has to be paid on the original gauge on arrival of the whisky or spirits. This should be changed so as to allow the goods to remain in bond for eight years, the same as domestic goods, and the duty to be paid only on such contents as are really left in the package when it is duty paid.

Third. Samples of wines and liquors shipped to this country in quantities of less than one dozen bottles in a case now have to pay the same duty as if a dozen bottles were imported. This should be changed so that duty would be paid only upon the actual quantity imported.

You will agree that the small demands we ask for are dictated by a spirit of fairness and equity, and for this reason we hope will receive your support, for which we beg to anticipate our thanks.

Yours, very truly,

GROMMES & ULLRICH,
Per F. DIEHL, *Secretary.*

The CHAIRMAN. The Clerk will read:

The Clerk read as follows:

C. That all invoices of imported merchandise shall be made out in the currency of the place or country from whence the importations shall be made, or, if purchased, or agreed to be purchased, in the currency actually paid, agreed upon, or to be paid therefor, shall contain a correct, complete, and detailed description of such merchandise and of the packages, wrappings, or other coverings containing it, and shall be made in triplicate or in quadruplicate in case of merchandise intended for immediate transportation without appraisement, and signed by the person owning or shipping the same, if the merchandise has been actually purchased, or price agreed upon, fixed, or determined, or by the manufacturer or owner thereof, if the same has been procured otherwise than by purchase, or agreement of purchase, or by the duly authorized agent of such purchaser, seller, manufacturer, or owner.

Mr. BROUSSARD. Mr. Chairman, I will not detain the committee, but merely want to ask unanimous consent at this stage to have published in the RECORD an interesting experiment made by some ladies in Louisiana with regard to the use of sugar in the household kitchen.

The article referred to is as follows:

PORT ALLEN, LA., *May 2, 1913.*

Hon. R. F. BROUSSARD,
Washington, D. C.

DEAR MR. BROUSSARD: Some Louisiana housekeepers modestly beg to be allowed to help in a small way in the fight their Senators and Representatives are making for sugar in Congress.

We stand or fall with our sugar planters, and we really think we know some kitchen sugar secrets that are hidden from "the wise and prudent." A few of these things are revealed in the inclosed sugar experiments. I pass them to you, hoping that the mouse may help the lion.

Very truly, yours,

VIRGINIA CARTER MERWIN.

The following accompanied the above letter:

There is a fashion nowadays—and a very sensible fashion it is, too—for men who have engaged in certain kinds of civil or industrial or educational reform to invoke the cooperation of capable and sagacious women as especially fitted for service in particular phases of their work. It may be presumptuous, but women are beginning to think that the men who are engaged in the fight for a tariff on sugar are overlooking an ally that ought to count in their campaign, and for that reason we are going to volunteer to help them. While men are handling sugar in politics women are handling it in kitchens, and to assert that they know the true inwardness of sugar goes without saying. Who knows so well as a house mother how imperatively necessary a proper amount of sugar is in the daily menu of a healthy family? Who decides how much and in what form it should be dispensed? And who realizes so keenly that it ought to be both cheap and abundant? While not an authority on national economics, the careful housekeeper certainly does know the sugar interests on the culinary side, and in this emergency insists on revealing some of them—those that touch the consumer. "Hear us for our cause," that it be not a "lost cause."

In trying to get at the very heart—the raison d'être—of this apparently useless, and certainly fatal warfare on sugar, some Louisiana housekeepers put their heads together and set their hands to work to test the problem on its economic side in the kitchen—the sanctum of the home. We wished honestly to see what part sugar played in the high cost of living. The experiments were modest and necessarily limited, but the results seem to justify our contention that the price of sugar is low enough to enable every workingman to purchase as much of it as he cares to use.

In the housekeepers' experiments with sugar we used impartially the granulated sugar sold everywhere and the "yellow clarified" plantation product. This last is an absolutely pure, and, to the uneducated eye, a perfectly white sugar. As well as we were able to judge, these were the grades of sugar commonly used and sold by the best grocers for 6 cents per pound. There are good sugars which may be brought in 20-pound lots for $1, or 5 cents a pound, and the Chicago department stores offer it in 25-pound lots for $1, or 4 cents a pound. We made the higher priced sugar the basis of our calculations that no charge of unfairness could be made against us.

We began our experiments, as the workingman begins his day, with a cup of coffee. We carefully weighed a pound of parched and ground coffee, having chosen the brand most in demand by people who are content with good, honest coffee. This brand sold everywhere for 30 cents per pound, and it was found to contain just 30 tablespoonfuls. In southern kitchens, where strong coffee rules, a tablespoonful of ground coffee is considered the proper allowance for each cup. Consequently there were 30 cups of coffee in that pound, and at 30 cents per pound each cup cost just 1 cent.

A quart of milk at 10 cents contains an ample allowance for 10 cups of coffee, which brings the cost of milk for 1 cup to 1 cent.

The carefully weighed pound of 6-cent plantation sugar contained 68 rounded teaspoonsful. With two teaspoonsful to each cup of coffee, we have 34 cups at a cost of about one-sixth cent.

A large plain cake was then made, the ingredients being carefully weighed and prices calculated in fractions. The flour cost 4½ cents; butter, 15 cents; eggs, 10 cents; milk, 2½ cents; sugar, 6 cents; total, 38 cents. These same ingredients made 51 cookies or tea cakes.

A large apple pie was then made, in which was used, flour, 2½ cents; butter, 10 cents; apples, 8 cents; sugar, 2½ cents; total, 23 cents.

A baked custard contained 1 quart of milk, 10 cents; 6 eggs, 10 cents; sugar, two-thirds of a pound, 4 cents; total, 24 cents.

Ice cream: One quart of milk, 10 cents; 6 eggs, 10 cents; three-fourths pound of sugar, 4½ cents; total, 24½ cents.

One quart of blackberry jam contained 1 pound of sugar, 6 cents.

One quart of fig preserves contained 1 pound of sugar, 6 cents.

Two pounds of peanut candy contained 1 pound of sugar, 6 cents.

I suppose a liberal construction of the word would place these articles of food under the head of "necessities." They are certainly "necessary" for any man's perfect contentment of mind, and would no doubt contribute to his health of body, and besides being very filling at the price, in so far as sugar is concerned, easily within the means of any workingman. Sugar is the cheapest thing we eat except salt, cheaper even than flour when in combination, cheaper than any cereal except corn, grits, and rice. Who needs "free sugar"?

So far as we can see, this is the only "sugar question." We refuse to believe that there is an intelligent housekeeper in the whole United States who thinks that the present price of sugar figures at all in the high cost of living, unless she wants to buy it from a bargain counter, and even then the Chicago department stores will accommodate her.

In conclusion, let us say that we would be glad to make a contract with the Government to furnish the soldiers candy, minus adulterants, at the present price of sugar.

Very respectfully,

LOUISIANA HOUSEKEEPERS,
Per VIRGINIA CARTER MERWIN.

The CHAIRMAN. Without objection, the pro forma amendment will be considered as withdrawn.

There was no objection.

The Clerk read as follows:

E. That, except in case of personal effects accompanying the passenger, no importation of any merchandise exceeding $100 in value shall be admitted to entry without the production of a duly certified invoice thereof as required by law, or of an affidavit made by the owner, importer, or consignee, before the collector or his deputy, showing why it is impracticable to produce such invoice; and no entry shall be made in the absence of a certified invoice, upon affidavit as aforesaid, unless such affidavit be accompanied by a statement in the form of an invoice, or otherwise, showing the actual cost of such merchandise, if purchased, or if obtained otherwise than by purchase, the actual market value or wholesale price thereof at the time of exportation to the United States in the principal markets of the country from which the same has been imported, which statement shall be verified by the oath of the owner, importer, consignee, or agent desiring to make entry of the merchandise, to be administered by the collector or his deputy, and it shall be lawful for the collector or his deputy to examine the deponent under oath, touching the sources of his knowledge, information, or belief in the premises, and to require him to produce any letter, paper, or statement of account in his possession, or under his control, which may assist the officers of customs in ascertaining the actual value of the importation or any part thereof, and in default of such production, when so requested, such owner, importer, consignee, or agent shall be thereafter debarred from producing any such letter, paper, or statement for the purpose of avoiding any additional duty, penalty, or forfeiture incurred under this act, unless he shall show to the satisfaction of the court or the officers of the customs, as the case may be, that it was not in his power to produce the same when so demanded; and no merchandise shall be admitted to entry under the provisions of this section unless the collector shall be satisfied that the failure to produce a duly certified invoice is due to causes beyond the control of the owner, consignee, or agent thereof: *Provided*, That the Secretary of the Treasury may make regulations by which books, magazines, and other periodicals published and imported in successive parts, numbers, or volumes, and entitled to be imported free of duty, shall require but one declaration for the entire series. And when entry of merchandise exceeding $100 in value is made by a statement in the form of an invoice, the collector shall require a bond for the production of a duly certified invoice.

Mr. BRITTEN. Mr. Chairman, I move to strike out the last word. Mr. Chairman, with the permission of the Chair, I would like to recur back to page 60 of this bill, where an apparent error has been made. On page 60, line 7, paragraph 245, I would like to call the attention of the gentleman having charge of the bill at the present time to the fact that that paragraph places a tax of $2.60 per gallon on absinthe. It occurs to me that the importation of absinthe is prohibited, and I therefore move, if there is no objection from the other side or the gentleman having the bill in charge, that the word "absinthe" be omitted from that paragraph.

The CHAIRMAN. Of course, the paragraph can only be returned to by unanimous consent. The gentleman from Illinois asks unanimous consent to return to paragraph 245, on page 60, for the purpose of offering an amendment. Is there objection?

Mr. HARRISON of New York. Mr. Chairman, reserving the right to object, I would like to state to the gentleman from Illinois that under the executive department of the Government at the present time the importation of absinthe is prohibited. It is not certain that will always remain so, and we might just as well keep this provision in the law which will cover all contingencies in the future. I therefore object to the gentleman's request.

Mr. BRITTEN. The gentleman's committee did consider that?

Mr. HARRISON of New York. Yes; it is carried over from the previous law.

Mr. MANN. This would not permit the importation of absinthe in the United States.

Mr. HARRISON of New York. It would not.

The CHAIRMAN. Objection is heard.

Mr. NORTON. Mr. Chairman, as a new Member of this Congress, I came here with a mind free and open to conviction; with a firm desire to assist in this great Congress in every way within my power the enactment of such laws as might reasonably be expected to bring more happiness, prosperity, and contentment to the people of our Nation; with a high resolve to lend my voice and my vote to the support of laws and regulation that shall assist in securing to the toiler everywhere throughout our land—in office, in shop, in factory, and on the farm—the fullest possible measure of compensation and happiness for his hours of labor. Come what may, be my time of service here short or long, I shall ever endeavor to maintain in performing my duties here the same free mind and spirit of patriotism with which I first entered this then quiet but inspiring chamber. At the outset, to be candid, I must confess that I have no great concern for the drones and the idle rich of our population other than this, that in the years to come their number in our Nation may be fewer. My chief concern as a Member of this House is and shall be for the welfare of those who till and toil and for the old and young who are properly dependent upon them.

I am very heartily in accord with the fundamental principles and economic policy upon which the income-tax law included in this bill is based. It is a big step in the right direction of progressive legislation. No good citizen, no matter with what party he may affiliate, should oppose the enactment of a law of this character which clearly tends to distribute the burden of maintaining our Government upon all citizens alike, according to the ability and strength of each to carry his just share of the load. Every member on this side of the chamber has a right to a pardonable pride in knowledge of the fact that the Republican Party first blazed the way for this law. Gentlemen on the other side, I have only words of commendation and approval for your attitude in lending your support in this case to the completion of this needed legislation. I do regret, however, that your side, so largely in the majority, has not had the courage to place this income-tax law before this House separate from the tariff bill. This should have been done so that every Member in the House might have the opportunity of clearly indicating his support or opposition to this measure irrespective of his conclusions on the tariff schedules. If, as suggested, the provisions of the income-tax law were considered separately from the tariff bill, I am certain that a better measure than your caucus has presented to us would be given to the country.

I have sat here during the past month and listened with close attention and interest to your debate in support of the tariff provisions in this bill. As I stated in beginning, I came here with a mind free and open to conviction. I came here intending and desiring to vote for a tariff bill that I hoped and was partly led to believe during the last campaign that your side would propose where the revision would be a downward revision based on a scientific investigation that would give a fair protection to the industries and laborers of our own country against the invasion of cheap foreign labor and industries. I am surprised at the bill you now propose and amazed at some of the statements made by the gentleman from Alabama [Mr. UNDERWOOD] and others on that side in defining the free-trade policies of your party and in defending the actions of your secret caucuses. Throughout the debate there has been a dearth of explanation from your side as to how it may be reasonably expected that this tariff measure will bring more prosperity to the factory and the farm or how it will increase what the laborer now receives for his toil. While some unseen power appears to compel practically every member on your side to support this bill, you have from day to day shown a noticeable lack of real confidence in the measure. The gentleman from Alabama [Mr. UNDERWOOD] is doubtful as to whether the effect of the bill will be to reduce the cost of living during the time of this administration. Other gentlemen on that side are fearful of what the result may be, but are nevertheless determined to write into the laws of this land at the earliest opportunity the old free-trade notions of your party. To a purely partisan and unscientific measure such as you have now presented I can not subscribe my approval. A free-trade policy such as your party leaders advocate will, in my opinion, never long meet the approval of our American people.

As a representative of a great agricultural State I protest against the wholesale manner in which the interests of the American farmer have been overlooked and forgotten in this bill. The political party that fails to recognize the fact that they who till the soil are the very bone and sinew of the Nation makes a cardinal mistake. As in Goldsmith's time—

> Princes and lords may flourish or may fade—
> A breath can make them, as a breath has made:
> But a bold peasantry, their country's pride,
> When once destroy'd, can never be supplied.

[Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. WILLIS. Mr. Chairman, in support of the contention of the gentleman from North Dakota [Mr. NORTON], who has just spoken, that the enactment of this bill into law will bring disaster to American farmers and laboring men without any permanent advantage to consumers, I submit the following letter from a Champaign County, Ohio, farmer, together with a news item from the Urbana Daily Citizen, of March 18, 1913:

URBANA, OHIO, *April 25, 1913.*

Hon. FRANK B. WILLIS, *Washington, D. C.*

MY DEAR SIR: When President Cleveland and the rest of the Democrats made wool free there were thousands of pounds of wool in the West hauled by the growers to the railroad station to be shipped to eastern markets. But the railroad companies said to the grower, "You must prepay freight on it as it may not be worth the freight in the eastern market." The growers said, "If it is not worth the freight, it may lie there and rot." So we lost all this free wool that the sheep men had grown and had delivered to the railroad by not having made provision in the free wool bill to pay the freight on it to market. This wool was a complete loss to the Nation at large. Now we want to provide for this in the new tariff bill as we do not want it to happen again. At the same time there were thousands of sheep shipped from Texas and the western ranges to the St. Louis and other big markets that did not actually sell for enough to pay the freight on them to market, so the shippers that were with the sheep had to "hide out" to keep from paying the difference in the freight and the selling price. They were lucky in having a railroad pass for their passage back home. Our sheep men do not want to be humiliated like this again. They do not mind raising free sheep and wool, but when it comes to paying the freight we think that is carrying the free-wool business a little too far. So I would advise you to introduce at once an amendment to the present free-wool tariff bill that the Government be compelled to pay the freight on the free wool and the difference of freight on free sheep to market, and not let this waste of free wool occur again by not having the Government to at least guarantee the freight and pay it if necessary. We do not want the railroads to lose anything again by hauling free wool and sheep to market or to have to "hide out" for lack of money to pay the freight on free wool and sheep. We think it is enough to raise free sheep and free wool without money and without price and not pay the freight. We think the good Democrats ought to grant us this wee small favor at least. We will not oblige them for this favor either, as we expect to quit raising free wool as soon as we can sell our sheep. Last year before the election I had nearly 200 head of sheep on my farm; now I have 28 all told. Many of the sheep raisers of this county (Champaign County, Ohio) have done as I have, knowing the Democrats would put wool on the free list and woolen goods on the high protected list of 35 per cent. We will have to pay as much for woolen clothing this fall as we have ever paid before.

Yours, truly, W. R. RAMSEY.

ANTICIPATED REVISION OF TARIFF SHUTS DOWN URBANA WOOLEN MILLS.

The Urbana Woolen Mills will shut down the 1st of April for an indefinite period of time, thus throwing 40 workmen out of employment as the first tangible result in Urbana of the Democratic administration. W. E. Brown, the only resident member of the company which operates "the factory," as the woolen mill is commonly called, states that the risk is too great to even consider continuing the factory running, with a change from high tariff to low tariff imminent.

Says Mr. Brown: "We might invest $200,000 in yarn right now, and make sales of cloth to the amount of $250,000, but we stand to lose, for the orders for cloth might be canceled or the cloth thrown back on our hands by customers who might refuse to accept it for any reason or no reason.

OPERATED AT LOSS IN 1893.

"Our books show that with the change in tariff in Cleveland's administration this very thing happened at the Urbana Woolen Mill and the factory was operated at a great loss.

"We can shut down the mill now without losing a penny; our finances are in good shape, and as soon as conditions have adjusted themselves following the anticipated tariff revision, the factory will resume operations."

Mr. Brown quoted Government statistics showing that in many foreign cloth-making countries labor is from one-half to two-thirds cheaper than in the United States. "In Belgium, especially. There a weaver gets $6 to $7 a week; here he is paid from $12 to $20 a week. The warper's wages are proportionate. Germany and France also pay low wages to cloth makers. We can not expect to compete with these countries in the price of cloth when the cost of production is so much less for them."

Mr. SLOAN. Mr. Chairman——

Mr. PETERS. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in five minutes.

The CHAIRMAN. The gentleman from Massachusetts [Mr. PETERS] asks unanimous consent that all debate on paragraph E close in five minutes. Is there objection? [After a pause.] The Chair hears none. The gentleman from Nebraska [Mr. SLOAN] is recognized.

Mr. SLOAN. Mr. Chairman, I shall not use all the five minutes accorded me; but as history is being recited, I want to see that it is kept on straight and completed. Credit is properly claimed by our minority leader [Mr. MANN] for this side for the origin and passage by House and Senate of the income-tax amendment, and its good features have just been extolled by the gentleman from North Dakota [Mr. NORTON]. My purpose in rising is this: While we are talking about the origin of the income-tax amendment I wish to say that a Republican Senator from the State of Nebraska, Hon. Norris Brown, drafted and introduced the resolution in the Senate of the United States. It went forth to the legislatures of this country. A constitutional majority approved it, and it is now a part of the fundamental law of the land. So, in distributing credit, Nebraska as a State is entitled to the credit for the origin of the income tax through her Republican Senator. I regret the ultrapartisanship of the majority has prevented the Republican members of the Ways and Means Committee from aiding in the drafting of this just law under the amendment, and now, through caucus action, reject every amendment, however salutary, which would correct many errors in this crude and imperfect bill.

My friend from North Dakota [Mr. NORTON] says that the farmers of the Northwest were forgotten. We would have been glad if we had been forgotten. But we are like the punished child: we were not forgotten; we would have been mightily pleased if the Ways and Means Committee had forgotten us and not administered the undeserved punishment under which we will suffer by reason of this bill. [Applause on the Republican side.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

J. That when merchandise entered for customs duty has been consigned for sale by or on account of the manufacturer thereof, to a person, agent, partner, or consignee in the United States, such person, agent, partner, or consignee shall, at the time of the entry of such merchandise, present to the collector of customs at the port where such entry is made, as a part of such entry, and in addition to the certified invoice or statement in the form of an invoice required by law, a statement signed by such manufacturer, declaring the cost of production of such merchandise, such cost to include all the elements of cost as stated in section 11 of this act. When merchandise entered for customs duty has been consigned for sale by or on account of a person other than the manufacturer of such merchandise, to a person, agent, partner, or consignee in the United States, such person, agent, partner, or consignee shall at the time of the entry of such merchandise present to the collector of customs at the port where such entry is made, as a part of such entry, a statement signed by the consignor thereof, declaring that the merchandise was actually purchased by him or for his account, and showing the time when, the place where, and from whom he purchased the merchandise, and in detail the price he paid for the same: *Provided*, That the statements required by this section shall be made in triplicate, and shall bear the attestation of the consular officer of the United States resident within the consular district wherein the merchandise was manufactured, if consigned by the manufacturer or for his account, or from whence it was imported when consigned by a person other than the manufacturer, one copy thereof to be delivered to the person making the statement, one copy to be transmitted with the triplicate invoice of the merchandise to the collector of the port in the United States to which the merchandise is consigned, and the remaining copy to be filed in the consulate.

Mr. PETERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts [Mr. PETERS] offers an amendment which the Clerk will report.

The Clerk read as follows:

Amend, page 173, line 13, by striking out the words "section 11" and substituting therefor the words "paragraph L."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Massachusetts [Mr. PETERS].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

L. That when the actual market value, as defined by law, of any article of imported merchandise, wholly or partly manufactured and subject to an ad valorem duty, or to a duty based in whole or in part on value, can not be ascertained to the satisfaction of the appraising officer, such officer shall use all available means in his power to ascertain the cost of production of such merchandise at the time of exportation to the United States, and at the place of manufacture, such cost of production to include the cost of materials and of fabrication, and all general expenses to be estimated at not less than 10 per cent, covering each and every outlay of whatsoever nature incident to such production, together with the expense of preparing and putting up such merchandise ready for shipment, and an addition of not less than 8 nor more than 50 per cent upon the total cost as thus ascertained; and in no case shall such merchandise be appraised upon original appraisal or reappraisement at less than the total cost of production as thus ascertained. The actual market value or wholesale price, as defined by law, of any imported merchandise which is consigned for sale in the United States, or which is sold for exportation to the United States, and which is not actually sold or freely offered for sale in usual wholesale quantities in the open market of the country of exportation to all purchasers, shall not in any case be appraised at less than the wholesale price at which such or similar imported merchandise is actually sold or freely offered for sale in usual wholesale quantities in the United States in the open market, due allowance by deduction being made for estimated duties thereon, cost of transportation, insurance, and other necessary expenses from the place of shipment to the place of delivery, and a commission not exceeding 6 per cent, if any has been paid or contracted to be paid on consigned goods, or a reasonable allowance for general expenses and profits (not to exceed 8 per cent) on purchased goods, and with reference to the appraisement of all imported merchandise, whether purchased or consigned, the Secretary of the Treasury is authorized and empowered to determine the existence or nonexistence of a foreign market, and such determination shall be binding and conclusive upon all persons and interests.

Mr. PETERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts [Mr. PETERS] offers an amendment which the Clerk will report.

The Clerk read as follows:

Amend, page 176, line 10, by striking out the comma after the word "goods" and inserting in lieu thereof a semicolon.

Mr. PAYNE. Mr. Chairman, I want to speak on this amendment for a few moments.

The CHAIRMAN. The gentleman from New York [Mr. PAYNE] is recognized for five minutes.

Mr. PAYNE. I want to commend the committee again, as I have done very often heretofore in the course of this debate, on the good sense that flashes out occasionally, here and there, in their consideration of this bill, by copying our provisions. They have adopted so many things that are in the present tariff law that really, if they had not done such unaccountably bad things in other sections of it, they would have reflected a great deal of credit on their sagacity and judgment. [Laughter on the Republican side.]

Here is a paragraph which is a substitute for section 11. Four years ago I spent a good deal of time in drawing the last part of this paragraph. I know that it met the approval of some of the gentlemen on the other side. The Speaker of the House said that if it worked out right he thought I had accomplished more than anybody else in making tariff bills.

That had to do with consigned goods that were brought in here when there was no market for them abroad and when the whole product was consigned to this market. Of course it was proved that there was no market value, and it was impossible to get any other value except that stated in the consignment. So I proposed this proposition, which works backward; that is, it takes the market price here at which these goods are sold as the real market price, and then, after deducting the duties and a reasonable commission paid, not exceeding 6 per cent, it fixes upon that as the value.

The majority of the committee has now extended that method of treatment not only to the consigned goods but to goods actually sold for importation into the United States The committee have shown very good judgment in extending this provision as far as possible, but I doubt whether it will have any practical effect, because this thing of there being no market value on the other side has been applied to consigned goods. When you have an ad valorem the importer proceeds immediately to get around it, and the most effective method that has been employed heretofore has been to take up the entire product of a factory, or to invest in a factory there, so that the matter of price or cost is a mere matter of secret arrangement between the men who run the factories there and the men who run the importing business end of the concerns here, and it is often difficult to get at the frauds which they perpetrate upon the Treasury

One thing that I noticed a little while ago is that they actually detected people belonging to a foreign concern in the act of sending 47,000 francs to their foreign agency to make up the difference in the cost of their goods in the factory over there which these people control. The consignment was so much below not only the actual price, but the actual factory cost, that they had to send 47,000 francs to their foreign agency to make up the difference between the true statement of the cost and the false statement that was sent here with the consignment of goods.

Now, I commend the gentlemen on keeping that and on keeping so many of the good features of the administrative law. It is a long credit mark to them. The same thing is true in the cases where they have adopted the same duties, in the taxing portion of the bill, and have followed it on other matters that were provided in the present law. I have been much gratified by the way in which the present law, during this debate, has received some portion of the credit which is its due. It is so different from four years ago, when people were getting up and shouting in the index and alleging all sorts of false things

about it. Of course, they did not know better. I am not accusing them of any wrong intention in the matter. There have been many untruths told about that bill, but the truth is getting out. One of these days history will be written. In fact, history has been written already, commending that bill and the manner in which it was made. Time evens up all things in the end, and by and by, when people see the workings of this bill they will say, "For God's sake, why didn't we take the existing tariff law as it was, amending the wool and cotton schedules, and let the rest of it alone, and let the industry of the country go on."

I thank you, gentlemen, for the consideration which you have given this paragraph and other paragraphs in the administrative features of this bill, and I want to commend your judgment in agreeing to so many of them.

Mr. HARRISON of New York. Mr. Chairman, the gentleman from New York [Mr. PAYNE] is commending the committee for the adoption substantially of some of the administrative features of his tariff law. I am willing to admit that the gentleman from New York occasionally stumbled upon some good ideas; but, so far as this feature of the law is concerned, I will point out to him the fact that in changing so many specific duties to ad valorem duties our committee were constrained to carry into our law certain features of the existing law which might appear to be burdensome to importers; and even further to tighten up the administrative features of the law so as to protect the customhouses and the revenues of the Government.

I am frank to say that I should not have voted for the adoption of this feature of the administrative law if it were to be continued to be administered by Republican officials. All of these administrative features impose more or less discretion in the administrative officers, and I am bound to say that the way the law has been administered in recent years has often been a gross hardship and inconvenience to importers, and injustice has occasionally been done.

The gentleman from New York [Mr. PAYNE] will remember, as I do, the appearance before our committee of certain exporters of onions and vegetables from Bermuda, who claimed that the market price in New York was fixed as the point at which the duty was to be assessed, upon the claim at the New York customhouse that they could not ascertain the market value of these vegetables in Bermuda, thus raising the duty considerably over what it would otherwise have been upon these vegetables.

As I say, a law of this kind is capable of great abuse if it is administered unfairly and unjustly, but I have every confidence that under the present administration of the Government honest importers will receive perfectly fair play at the customhouse, that they will not be discriminated against, and I am perfectly satisfied under those circumstances to vote to include in our law such features as are necessary to administer strictly ad valorem duties.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. PETERS].

The amendment was agreed to.

The Clerk read as follows:

"M. That the appraiser shall revise and correct the reports of the assistant appraisers as he may judge proper, and the appraiser, or, at ports where there is no appraiser, the person acting as such, shall report to the collector his decision as to the value of the merchandise appraised. At ports where there is no appraiser the certificate of the customs officer to whom is committed the estimating and collection of duties, of the dutiable value of any merchandise required to be appraised, shall be deemed and taken to be the appraisement of such merchandise. If the collector shall deem the appraisement of any imported merchandise too low, he may, within 60 days thereafter, appeal to reappraisement, which shall be made by one of the general appraisers, or if the importer, owner, agent, or consignee of such merchandise shall deem the appraisement thereof too high, and shall have complied with the requirements of law with respect to the entry and appraisement of merchandise, he may within 10 days thereafter appeal for reappraisement by giving notice thereof to the collector in writing. Such appeal shall be deemed to be finally abandoned and waived unless within two days from the date of filing thereof the person who filed such notice shall deposit with the collector of customs a fee of $1 with respect to each appraisement objected to. Such fee shall be deposited and accounted for as miscellaneous receipts, and in case the appeal in connection with which such fee was deposited shall be finally sustained, in whole or in part, such fee shall be refunded to the importer, with the duties found to be collected in excess, from the appropriation for the refund to importers of excess of deposits. The decision of the general appraiser in cases of reappraisement shall be final and conclusive as to the dutiable value of such merchandise against all parties interested therein, unless the importer, owner, consignee, or agent of the merchandise shall deem the reappraisement of the merchandise too high, and shall, within five days thereafter, give notice to the collector, in writing, of an appeal, or unless the collector shall deem the reappraisement of the merchandise too low, and shall within 10 days thereafter appeal for re-reappraisement; in either case the collector shall transmit the invoice and all the papers appertaining thereto to the board of nine general appraisers, to be by rule thereof duly assigned for determination. In such cases the general appraiser and boards of general appraisers shall proceed by all reasonable ways and means in their power to ascertain, estimate, and determine the dutiable value of the imported merchandise, and in so doing may exercise both judicial and inquisitorial functions. In such cases hearings may in the discretion of the general appraiser or Board of General Appraisers before whom the case is pending be open and in the presence of the importer or his attorney and any duly authorized representative of the Government, who may in like discretion examine and cross-examine all witnesses produced. The decision of the appraiser, or the person acting as such (in case where no objection is made thereto, either by the collector or by the importer, owner, consignee, or agent), or the single general appraiser in case of no appeal, or of the board of three general appraisers, in all reappraisement cases, shall be final and conclusive against all parties and shall not be subject to review in any manner for any cause in any tribunal or court, and the collector or the person acting as such shall ascertain, fix, and liquidate the rate and amount of the duties to be paid on such merchandise, and the dutiable costs and charges thereon, according to law; and no reappraisement or re-reappraisement shall be considered invalid because of the absence of the merchandise or samples thereof before the officer or officers making the same.

Mr. PAYNE. Mr. Chairman, I move to strike out the last word. I understood my colleague from New York [Mr. HARRISON] to say that section L had worked some injustice in the assessment of duty on onions from Bermuda, as appearing in the hearings. If that appeared in the hearings it was a gross error, because the duty on onions is not an ad valorem one in the present law, but it is 40 cents per bushel of 57 pounds. Nor would it be necessary to invoke this paragraph L, which is section 11 of the former law, in behalf of onions, in this bill, because the committee have departed from their ad valorem rates in regard to onions and have assessed the rate of duty at 20 cents per bushel. It was probably something else that my friend had in mind, or else it was a fairy story that some one told the committee.

Mr. HARRISON of New York. Will the gentleman yield?

Mr. PAYNE. I will give the gentleman a chance in just a moment. I want to conclude. But, Mr. Chairman, the gentleman says that there is going to be a stricter enforcement of the law, and also a more liberal enforcement of it under the present administration, and that it is largely a matter of discretion. I hope there will not be any more liberal enforcement than there was in a case that came to my knowledge in regard to this very paragraph, section L of the present administrative law.

There was a case where the manufacturer was taking the entire output of the factory across the water, and the question came up before one of the subboards of general appraisers at New York. Evidence was taken, and the importer showed conclusively that there was no market price for the goods abroad in the country of their origin, and the attorney for the United States then went on to show the market price at which the goods were sold in the United States and what would be a proper reduction for duty paid, and also allowing them full commission of 6 per cent for various charges for commissions, which could not exceed that, and the Government showed a pretty handsome advance over the invoice that had been sent with the goods and the sworn appraisements of the importer himself.

Then the matter was adjourned from time to time for a space of three months until the importer could get time to organize and have three or four fake sales and then come back and testify that there was a market value for the goods. And so the fraud worked.

Now, I hope there will not be any more lax administration of the law than that was. If there is, this section would not be of any use. It has been of use because the importers have been afraid of it and have made more honest returns than they did before. Even under a lax administration it would do good, and if the present administration is to favor the importer, under their administration of the laws it will still do some good and help to catch somebody and work for an honest appraisement, because the importers themselves will make the honest appraisement.

I hope the gentleman does not mean fully what he says. The law ought to be fairly executed; there ought not to be any division on political lines about the administrative features of any tariff law. There was not any such division when I was chairman of the committee. This is the first time that anything of this kind has occurred. Everybody was consulted and had their say about it in the formation of the bill. The desire has been on the part of each member of the committee heretofore that, whatever the tariff rates were, they should be equally and fairly enforced against all people importing these goods into the United States, to the end that if the law was a bad one it might appear by its enforcement, and if it was a good one it should be commended, and at all events it should be equitably enforced against all people.

Mr. UNDERWOOD. Mr. Chairman, I think the gentleman from New York [Mr. PAYNE] is exactly right—that the administrative features of the tariff bill should not be political, that they should be framed to enforce whatever rights are put on the statute book. But the gentleman from New York is en-

tirely mistaken in reference to his own attitude in passing administrative features of the law, because in the bill that bears his name the minority of this House were not consulted in the framing of that bill in committee, so far as the administrative features were concerned. When it came into the House there was a rule adopted that prevented the minority from even offering an amendment in reference to the administrative features of the law, so that the minority had no chance to speak or even offer amendment to it from the time the bill began in committee until it ended in the House.

Mr. PAYNE. I just want to say one word. Perhaps I will remind the gentleman that I stated in open committee at the beginning, in reference to this paragraph and the administrative features especially, what I proposed to do about this. I remember that the present Speaker of the House, leading minority member, said that if I could accomplish that object I would have done good in a tariff bill, whatever else it might accomplish.

Mr. UNDERWOOD. I am free to say that the gentleman stated what he proposed to do to our end of the committee, but we were invited out when the hearings were ended. The gentleman then prepared his bill and put in what his party desired, and put it through the House under a rule in which we had no part. I am not complaining of the position the gentleman has taken, but I wanted to call his attention to the fact that in the bill passed heretofore the minority have had no chance to exercise their judgment in reference to the administration features of the law.

Mr. PAYNE. The gentleman will remember that we have had several revisions of the administrative features of the law not connected with a tariff law, and they were before a full committee.

Mr. UNDERWOOD. Yes; but the present law was not written that way.

Mr. PETERS. Mr. Chairman, the gentleman from New York informed us when the present tariff law passed it was the desire of all the committee that the rates provided in the bill should be adequately enforced. I can assure the gentleman that such is the desire of the majority who frame this bill, and I hope that the minority will share that ambition with us. The gentleman has called attention to a lack of effectiveness in the present law in section 11 of the Payne Act, the provisions of which we adopted with some additions in paragraph L of our present bill. He has called attention to the fact that while a case was under consideration the importers went abroad and made fictitious sales and then came to the Secretary of the Treasury, produced those sales in evidence, and claimed that they established a market, and that that market must be taken by the Treasury Department as fixing the market value of those imported goods. The Treasury was compelled to accept such evidence.

Mr. PAYNE. Mr. Chairman, the gentleman did not quite understand me. It was where a case was before one of the subboards of appraisers, and evidence was being taken, that all of this occurred.

Mr. PETERS. Mr. Chairman, I am quite familiar with the case referred to. I think I am stating it just as correctly as the gentleman is. We are familiar with that case and have provided specifically against the fraud which was perpetrated on the department by that act. It was a fraud for the importers to establish a market value by fictitious sales. We have added in section L to the provisions of section 11 of the present law the words:

And with reference to the appraisement of all imported merchandise, whether purchased or consigned, the Secretary of the Treasury is authorized and empowered to determine the existence or nonexistence of a foreign market, and such determination shall be binding and conclusive upon all persons and interests.

If such a case arises under the provisions of this act, the Secretary of the Treasury may refuse to receive the evidence of these wash sales and may maintain that they do not establish a foreign market. This illustrates perfectly the attitude of your committee in respect to the provisions of this law. We mean to make them effective; we mean to give the Treasury Department, in which we have the fullest confidence, the power to collect the rates which we fix in this bill. We intend to confer on the Treasury Department all proper authority to detect and punish fraud.

Mr. MOORE. Mr. Chairman, this paragraph provides for a fee of $1 to be paid by the importer, consignee, or owner of goods in the event of a request for a reappraisement. Is not that new law?

Mr. PETERS. Mr. Chairman, I was answering the gentleman from New York, who was speaking on the provision of section L. The provision to which the gentleman from Pennsylvania refers is in paragraph M and paragraph N.

Mr. MOORE. Mr. Chairman, I move to strike out the last word. The gentleman from New York [Mr. PAYNE] moved to strike out the last word when we reached the end of the paragraph on page 179, which is paragraph M and which begins on page 176. In that paragraph provision is made for a deposit of a fee of $1 by the importer, owner, or consignee of merchandise who desires to appeal from the appraisement. We are on that paragraph now.

Mr. PAYNE. Mr. Chairman, may I say that the gentleman is strictly in order, but I spoke on paragraph L, and some reply was made and I wished to reply to that, and I waited until the present paragraph was read. Debate has been on paragraph L, and then the gentleman from Massachusetts desired to talk on paragraph L. I am sure the gentleman will be recognized on paragraph M.

Mr. MOORE. The gentleman from New York untangles the mystery delightfully, but what I wanted was to get some information. I do not want to pass paragraph M without it.

The CHAIRMAN. The Chair will state the situation. Paragraph M has been read, and the gentleman from New York moved to strike out the last word, and on that pro forma amendment debate has been proceeding. The gentleman from New York [Mr. CALDER] is waiting to offer a real amendment just as soon as the debate on the pro forma amendment has concluded.

Mr. HARRISON of New York. Mr. Chairman, I shall not detain the committee for more than a moment. My respected friend, the former chairman of the committee, corrected me in an erroneous statement when I said that this complaint from the members of the Bermuda Parliament was about onions. One may be excused, perhaps, for associating Bermuda with the festive onion, but the fact is that their complaint was based on imports into New York of the following Bermuda vegetables: Parsley, carrots, beets, lettuce, radishes, mint, turnips, and kohl-rabi.

The operation of the law, as drawn by the gentleman from New York and as administered by the last administration, was to assess the New York market value of these vegetables as the rate upon which the 25 per cent ad valorem duty was collected, and that made a difference in the value of parsley, for example, of 87 cents, instead of 30 cents. This complaint was made by Mr. Stanley Spurling, a member of Parliament of Bermuda.

Mr. MOORE. Mr. Chairman, I move to strike out the last word. I do this merely to recur to the question of the fee of $1 provided for in this bill to be had from the importer, owner, agent, or consignee who desires to appeal from the customs appraisement. I desire to ask if this is not new?

Mr. PETERS. This is new and is provided for the first time in this section.

Mr. MOORE. Will the gentleman explain the necessity for it? It is complained it will lead to confusion. This $1 is to be deposited upon appeal, and if the appeal is confirmed it is to be repaid. It may be very annoying.

Mr. PETERS. It is at present the custom under the present proclamation changing customs regulations. Now, this is the first time it is put in the provisions of a revenue act.

Mr. CALDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 177, strike out the word "such" in line 9 and all of the paragraph down to and including the word "deposits" in line 20.

Mr. CALDER. Mr. Chairman, the effect of this amendment, if agreed to, will be to strike from the bill the provision requiring the payment of a protest fee of $1 on the filing of a protest against an excessive valuation at the customhouse. I know, Mr. Chairman, this protest fee was incorporated in the customs reorganization scheme promulgated by President Taft on March 4. Many believe that the President had no legal right to establish this protest fee, and I assume that the committee have incorporated this provision in the bill so as to make sure the protest fee could be collected. Now, in the offering of this amendment I am acting on behalf of the merchants of the city of New York. I am told that upward of 70,000 protests are filed each year in the customhouse at that city. It is the practice to file a protest if an importer or a merchant believes that the customs duty is excessive. Very often it is necessary to file hundreds of protests and in some cases thousands of protests to cover one litigation, because litigations may begin today on the question of excessive valuation on an item covered in several schedules, and a protest must be filed as affecting each one, and then litigation goes on which may last for several years. So to cover every single importation it is necessary for the importer and merchant to file protests during all of this period if he hopes to gain advantage of his litigation on all of

the importations entered in the interim before the courts make final decision.

Mr. MOORE. If the gentleman will permit, does he not think this will add very greatly to the confusion now existing in this business with regard to appeals on appraisement and reappraisement?

Mr. CALDER. Undoubtedly it will.

Mr. MOORE. And that it will lead to a tangle of accounts?

Mr. CALDER. Certainly; and it is well known that collectors in cases of doubt invariably assess the higher duty, leaving it to the importer to protest the classification before the Board of General Appraisers. The theory of the protest is to advise the collector that he has made a mistake, and he is presumed in such cases to correct his error and refund the illegal duties. When it is considered how many protests are decided in favor of the importers it will be seen how frequently the collector is in error. Also, when it is considered how slight a doubt may cause him to assess the higher duty it is unjust that an importer should be taxed for the privilege of pointing out this error. It is true that the provision provides for the repayment of this fee in case the importer should prevail. But should an importer be compelled to take the chance of losing, in many cases hundreds or thousands of dollars, for the privilege of contesting a doubtful classification even though he, rather than the collector, might be mistaken in the interpretation of the law?

It has been claimed that many frivolous protests have been filed, which entail needless work on the part of the Government, but experience proves that many protests deemed frivolous by the collectors of customs or the Board of General Appraisers have been sustained by the courts. For instance, in the so-called "Bottle Charges" cases, the Board of General Appraisers refused to sustain protests because they were frivolous, and hundreds of suits were filed in the courts on appeal. All these alleged "frivolous" protests were decided by the court in favor of the protestants.

Furthermore, the fee of $1, while apparently small, is in fact, because of the wording of the provision, very large. The paragraph would require the payment of $1 for each protest and that each protest must be limited to a single issue.

It is a new innovation, unjust to the importer and the merchant, and I sincerely hope my amendment will prevail.

The paper I have in my hand was handed me by the Merchants' Association of New York City. It is a protest against this legislation, and I know of no gentleman in this House who can discuss this subject with more intelligence than my colleague [Mr. METZ]. His name is signed to this protest, which is addressed to the House of Representatives, as I indicated above, by the Merchants' Association of New York City, a great body of men, having more business with the customs service of the country than any other body of like character in the United States.

Mr. PETERS. Mr. Chairman, the requirement that a fee of $1 shall be deposited with a protest is now a law through a proclamation of President Taft in March, providing for the customhouse reorganization. The provision for a protest fee of $1 is based on the recommendations of the two special committees which have investigated the customs service in the past year. The imposition of a fee is also recommended in the report of the last Secretary of the Treasury. The present practice tends to encourage litigation, and the fee should cut out a large quantity of useless labor. It should eliminate a considerable number of purely speculative and frivolous protests.

All these duplicate or frivolous protests at present require the following handling:

At customhouse: Received, recorded, trasmitted to appraiser.
At appraiser's stores: Received, recorded, report of facts to collector, record of return.
At customhouse: Receipt of report of appraiser, formulate collector's report (often rubber stamp), transmitted to board.
At the board: Received, docketed, placed on calendar, called by the board on calendar (and abandoned), decided.
At the office of Assistant Attorney General: Prepared for hearing.
At customhouse: Receipt of decision, record.

During the year ending June 30, 1912, there were over 96,000 protests filed, and at that time there were pending over 146,000 protests. The committee which investigated the customs appraisers' office estimate that over 50 per cent of the protests are purely fictitious. Now, in all judicial procedure it is the custom to have a fee charged on the commencement of any action of law. The present law offers every opportunity to gamble against the Government with no expense.

I desire to ask unanimous consent that all debate on this paragraph, and amendments thereto, shall be limited to ten minutes, of which the gentleman from Indiana [Mr. COX] shall have four minutes, the gentleman from New York [Mr. PAYNE] four minutes, and the gentleman from New York [Mr. METZ] two minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. COX. Mr. Chairman, I want to say a few words in reference to the matter before the committee. This is the first time that I have learned that President Taft before retiring from office put into force by Executive order this requirement of requiring a dollar to be paid in the way of a protest. I think he should be commended for that course. And right now I want to commend him heartily for putting into force a complete reorganization of the customs districts of this country. I think he did his country a great and invaluable service in that way.

Two years ago the little committee over which I presided as chairman, the Committee on Expenditures in the Treasury Department, investigated this identical question. The administration prepared a bill to meet the conditions that were then existing, particularly at New York. My recollection is that the fee they required in that bill was only 25 cents. I suggested to Mr. Curtis, who had the subject under his control and well in hand at that time, that I thought the fee was too low. But we went ahead and investigated it. While our committee did not have the power to report bills, we made our recommendations that legislation of that kind be enacted into law. It is true, gentlemen, I think, beyond a doubt—and I am quoting Mr. Curtis upon that question when I make this statement—that by reason of the countless thousands of protests that are filed in New York City, it actually requires the addition of from 10 to 15 additional clerks to jacket and file and keep these protests in the proper place so that they can get at them quickly. The only persons on earth who will be hurt by this are the "ambulance chasers" over in New York City. If a man has a meritorious protest, it is not believed for a moment that he will object to paying a fee of $1. And if I understand the Executive order issued by President Taft before retiring, if a man wins his protest the dollar is paid back to him. It was the testimony of Mr. Curtis before the committee that even a fee of 25 cents charged upon the protest would reduce the useless protests that are made in New York City practically one-half, and if that would reduce the protests to the amount of one-half it would necessarily reduce the number of clerks working in that office some 10 or 12. So I am glad to see the bill carry an actual provision of law to this effect, requiring a fee of $1. In my judgment it ought to be $5.

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

Mr. COX. Yes.

Mr. CALDER. I know from actual observation that there are not 13 clerks employed on that work. I am told there are only 2.

Mr. COX. I am quoting the evidence of Mr. Curtis himself, and I received—and I think other members of my committee received at the same time—a large number of protests against the bill that was then pending before our committee, and every one of those protests were from a lawyer who looked after these protest fees; everyone of them.

It is nothing in the world, in my judgment, except the "ambulance chaser" that gets after the importers, and I am told—and the evidence discloses the fact—that these attorneys that look after the importation of merchandise and the filing of protests take these fees on a contingent percentage basis. If they win they get their money, and if they lose they do not get it. If an attorney wants to engage in that kind of practice let him put up the dollar himself, and then let him take his chances on winning the amount of duty. I think this is a wise provision.

The CHAIRMAN. The gentleman from New York [Mr. PAYNE] is recognized.

Mr. PAYNE. My colleague [Mr. METZ] is on the other side of the question from what I am. I am with the committee, and I understand my colleague [Mr. METZ] wants to speak in opposition to it.

Mr. METZ. I beg the gentleman's pardon. I do not want to do anything of the kind.

Mr. PETERS. Mr. Chairman, two minutes' time was reserved for the gentleman from New York [Mr. PAYNE].

Mr. PAYNE. After Mr. METZ.

Mr. METZ. Mr. Chairman, I simply rise to thank my colleague from New York, Mr. CALDER, for the compliment he pays me and to make a brief statement.

I have had some experience in this matter, and I want to say there are two sides to this question. The last speaker who addressed the committee on this subject [Mr. COX] is quite right. The greatest objection comes from the lawyers who handle these cases on a contingent basis, but the members of the Merchants' Association of New York are nevertheless in earnest in the recommendations which they have made. My purpose in rising is

chiefly to present these recommendations from the customs committee of the Merchants' Association of New York and to ask that they be placed upon the minutes; that is all.

Following is the document referred to:

THE MERCHANTS' ASSOCIATION OF NEW YORK—RECOMMENDATIONS RELATIVE TO THE ADMINISTRATIVE SECTIONS OF THE UNDERWOOD TARIFF BILL.

To the Members of the Sixty-third Congress, Washington, D. C.:

The Merchants' Association of New York desires to call to your attention the following important matters relative to the customs administrative features of House bill 3321, now pending, and strongly urges that the recommendations set forth below be followed.

While this association has never taken, and does not now take, any action upon tariff schedules or rates, it has always deemed the customs administrative features of the tariff a subject which should have its careful study and attention, regulating as it does the application of the tariff schedules and rates to the three conflicting factors affected. These factors are:

First. The Government, for the revenue which the tariff law is intended to provide;

Second. The domestic manufacturer, for such degree of protection as the tariff law may afford; and

Third. The honest importer, for the right of importation under such limitations, fairly administered, as the tariff statutes may prescribe.

It is the conception, therefore, of this association that the administration of the tariff law should be carried on, first, under provisions of the law which are in form fair and equitable as between these conflicting interests, and, second, by customs administrative officers who appreciate the necessity of a fair and judicial attitude in the administration of these provisions.

Predicated upon this conception, this association, through its committee on customs service and revenue law, has conducted its study of customs administrative matters for over 14 years, and has made many recommendations, from time to time, for changes in the administrative features.

In 1899 President McKinley requested this association to make a careful analysis of the customs administrative act of June 10, 1890, as amended by the act of July 24, 1897, and to suggest such changes therein or amendments thereto as we might deem wise for the better protection of the Government, the domestic manufacturer, and the honest importer alike. On March 1, 1900, a report was presented to President McKinley making specific recommendations for changes in the then existing customs administrative act. This report was rendered as the result of a comprehensive study by a large committee which was truly representative of merchants, domestic manufacturers, and importers.

The Ways and Means Committee, responsible for the Payne-Aldrich Tariff Act of 1909, recognized the force of the changes proposed by the Merchants' Association of New York by accepting and by obtaining the enactment of seven of these suggestions.

The administrative provisions in the tariff bill now pending are far more drastic than those in the original administrative act or in any of the amendments thereto. Their enactment into law would, to an alarming extent, counteract any relief intended to be afforded by the reduction of rates in the tariff itself.

Moreover, these proposed provisions are much more stringent and objectionable than the administrative provisions of the then existing law, which so nearly brought about a commercial war between this country and Germany a few years ago. The provisions of the present bill, if put into operation, would create imminent danger of foreign complications of a very series nature which could not fail to have a most injurious effect upon the present efforts so strenuously put forth to increase the foreign commerce of this country.

The more objectionable features contained in the proposed administrative portion of the bill, which have aroused great opposition, are as follows:

PARAGRAPHS M AND N, SECTION III.

PROTEST AND REAPPRAISEMENT FEES.

Undoubtedly the greatest hardship in the proposed law is the levying of a tax upon the importer for the privilege of filing a protest against wrongful assessment of duties. It is well known that collectors, in questions of doubt, invariably assess the higher duty, leaving it to the importer to contest the classification before the Board of General Appraisers. The theory of the protest is to advise the collector that he has made a mistake, and he is presumed in such cases to correct his error and refund the illegal duties. When it is considered how many protests are decided in favor of the importers, it will be seen how frequently the collector is in error. Also, when it is considered how slight a doubt may cause him to assess the higher duty, it is unjust that an importer should be taxed for the privilege of pointing out this error.

It is true that the provision provides for the repayment of this fee in case the importer should prevail. But should an importer be compelled to take the chance of losing, in many cases hundreds or thousands of dollars for the privilege of contesting a doubtful classification, even though he, rather than the collector, might be mistaken in the interpretation of the law?

It has been claimed that many frivolous protests have been filed, which entail needless work on the part of the Government, but experience proves that many protests deemed frivolous by the collectors of customs or the Board of General Appraisers have been sustained by the courts. For instance, in the so-called "bottle charges" cases, the Board of General Appraisers refused to sustain protests because they were frivolous, and hundreds of suits were filed in the courts on appeal. All these alleged "frivolous" protests were decided by the court in favor of the protestants.

Furthermore, the fee of $1, while apparently small, is, in fact, because of the wording of the provision, very large. The paragraph would require the payment of $1 for each protest, and that each protest must be limited to a single issue.

Frequently an issue is not decided for two years or more, and in the meanwhile, through the continuing character of the importing business, this nominally small fee would rapidly accumulate and become very great. We are aware of the fact that a great deal of work devolves upon the Board of General Appraisers in the handling of protests, but there seems to us no reason why these protests could not be held at the customhouse while the issue is pending before the Board of General Appraisers or in the courts. If, then, the issue should be decided against the importers, the protests could be abandoned at the customhouse, or, if the issue is decided in favor of the importer, the protests at the customhouse could be sustained by the collector without sending them to the Board of General Appraisers. The assessment of a fee for the filing of these protests we submit is wrong in principle and should be stricken from the bill.

The same objections would apply to the fee for reappraisement, although in reappraisement the burden is not so heavy as upon protests, because the issues are decided with comparative speed.

PARAGRAPH I, SECTION III.

AND DUMPING CLAUSE.

Paragraph I of section III provides for undervaluation a penalty of 1 per cent on the appraised value for each per cent that the appraised value exceeds the entered value. This should be amended to allow some leeway before the penalty accrues. The undervaluations at the port of New York do not exceed one-tenth of 1 per cent of the total importations. Of this one-tenth of 1 per cent it is safe to say that not one-tenth are fraudulent, but are unintentional and are due to fluctuations in the market and ignorance thereof on the part of the importer. The fact that the law gives an importer the right to add on entry is no answer to this proposition, because it is seldom that one who has honestly purchased goods and entered them at the purchase price is aware that he has purchased below the market. On some few staple goods the market value can be ascertained fairly well, but on the great bulk of goods, especially those purchased in the open market, one man seldom knows what his competitor has paid for the same class of goods purchased from another dealer or even from the same dealer. It is not too much to say that the majority of additions on entry are made only after an importer has found that he has purchased below the market because of additions made by the appraiser. It is therefore manifestly unfair that he should be penalized where the difference is only 1 per cent. Some leeway should be allowed, and this association recommends that no penalty should be assessed on unintentional undervaluation not exceeding 5 per cent.

Arduous as this provision is under the old law, the proposed "dumping clause" (par. R, sec. IV), as to certain goods, increases the burden more than one hundredfold, for it not only doubles the penalty but makes it apply even where the importer himself adds on entry. It provides that "if the export or actual selling price to an importer in the United States, or the price at which such goods are consigned, is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to the United States, at the time of its exportation to the United States," there shall be levied an additional duty equal to the difference between the export price and market value.

If, therefore, the goods are found to be below the market value—even where the undervaluation is unintentional—a duty equal to the full undervaluation up to 15 per cent would be assessed in addition to the penal duties provided for by paragraph I. This additional duty would be assessed even though the importer himself adds on entry, for the wording of the provision makes it operative regardless of whether he adds or not. In fact, once an importer has added on entry to make market value, he himself automatically puts the "dumping clause" into operation by admitting that the goods were bought or consigned below the market price.

PARAGRAPH L, SECTION III.

AMERICAN SELLING PRICE.

Paragraph L reenacts subsection 11 of section 28 of the present administrative act with additional burdens on the importer.

This section, after providing that the market value may be found by considering the cost of production, further provides that the "dutiable value of any merchandise consigned for sale or sold for exportation to the United States, and which is not actually sold or freely offered for sale in the open market of the country of exportation to all purchasers, shall not in any case be appraised at less than the wholesale price at which such or similar merchandise is sold in the United States with deductions for estimated duties, cost of transportation, insurance, and other necessary expenses, and a commission of 6 per cent on consigned goods or a reasonable allowance for general expenses and profits not to exceed 8 per cent on purchased goods." This is the provision as found in the present law, and while it has been invoked comparatively infrequently, it is absolutely wrong in principle and impracticable of intelligent application. For instance, if an importer is selling an article at a certain price, it is obvious that with any competition the price can not be higher than will allow him a reasonable profit. This profit, under certain circumstances, may amount to a gross profit of, say, 35 per cent, and it may be necessary for him to obtain this percentage of gross profit if he is to continue to do business at all. The appraisers, however, may think this gross profit too much, and, working backward, may allow him only 25 per cent, thereby advancing his goods 10 per cent. In order to do business he must then advance his selling price so that he will still obtain his 35 per cent, the minimum gross profit under which he can handle the goods. Immediately the goods would again be raised, based on the new selling price, and so on until the importer is compelled to quit importing.

No comment is necessary to show both the injustice and the absurdity of this provision, the only use of which could be as a club to drive importers out of business. Under the provisions of the bill now pending, however, it is proposed to go further and to deprive the importer of the right to contest the appraiser's finding that the goods in question are not sold freely in the country of exportation. Under the present law the importer has oftentimes been able to produce evidence conclusively to show that the goods in question were sold in the country of origin and that this section therefore did not apply. An amendment is now proposed in the pending bill, as follows: "The Secretary of the Treasury is authorized and empowered to determine the existence or nonexistence of a foreign market, and such determination shall be binding and conclusive upon all persons and interests."

Manifestly in the determination of what is or is not an open market the Secretary of the Treasury must necessarily depend upon reports from special agents and consuls. Therefore the delegation of this power proposed in the amendment referred to to the Secretary of the Treasury practically means its delegation to the special agents. We respectfully submit that the determination of such a question, so vital to the honest importer, should not be delegated to such minor officials, whose reports, experience shows, are frequently unreliable. The entire section, with the exception of the provision for finding market value upon the basis of cost of production, we submit should be eliminated as impracticable, unjust, and unfair.

PARAGRAPH U, SECTION III.

EXAMINATION OF FOREIGN BOOKS, ETC.

Paragraph U provides as follows:

"That if any person, persons, corporations, or other bodies selling, shipping, consigning, or manufacturing merchandise exported to the

United States shall fail or refuse to submit to the inspection of a duly accredited investigating officer of the United States when so requested to do any or all of his books, records, or accounts pertaining to the value or classification of such merchandise, then the Secretary of the Treasury, in his discretion, is authorized, while such failure or refusal continues, to exclude from entry any and all merchandise sold, shipped, consigned, or manufactured by such person, persons, corporation, or other bodies and imported into the United States."

This provision is harsh in its construction and places the importer at an unfair disadvantage. He purchases his goods in the open market and pays the price agreed upon, and then in case the foreign shipper, over whom he has no control, refuses to exhibit his books, including his cost books, to a representative of the Treasury Department, the importer's source of supply would be cut off.

The application of this provision would undoubtedly lead to international complications. Retaliatory measures of like import would be most natural, and our American manufacturers who are seeking foreign markets would bitterly resent the inspection of their books, including records of cost, by representatives of foreign Governments. Manufacturers in this country could ill afford to have their trade secrets become known throughout the world. The adoption of the proposed provision vests in the employees of the Government tremendous power. Experience has shown that many of the frauds on the revenue have been perpetrated through collusion with Government officers, and we respectfully submit that the operation of the proposed provision would constitute a tremendous temptation on the part of any dishonest employee to profit by this great power. We therefore recommend that this provision should be eliminated in toto.

PARAGRAPH V, SECTION III.

INSPECTION OF AMERICAN BOOKS.

This paragraph gives the Secretary of the Treasury power to refuse importations "if any person, persons, corporation, or other bodies engaged in the importation of merchandise in the United States, or engaged in dealing with such imported merchandise, shall refuse to submit any or all of his books, records, or accounts pertaining to the value or classification of any such imported merchandise to the inspection of a 'duly accredited investigating officer of the United States.'" Belief has been expressed in some quarters that this provision is unconstitutional in that it constitutes a violation of the fourth and fifth amendments of the Constitution of the United States as interpreted by the United States Supreme Court. Whether constitutional or not, the provision is extremely objectionable, both because of its violation of the right of privacy and because of its extreme liability to abuse.

It may be claimed that an honest importer should have no objection to throwing open his books, but no business man, however honest, will view with equanimity a demand at any or all times for the divulgement of his innermost trade relations, because in the hands of an unscrupulous special agent the power for harm under this authority is incalculable, and experience in the past has shown that the efforts of special agents are oftentimes more energetic than fair.

Moreover, the wording of the provision is so broad that its literal application would produce results unheard of in any enlightened country. Under the proposed conditions any small dealer in an obscure village might have the power to tie up the importation business of the largest merchant in the country. This paragraph provides that if any person dealing in imported merchandise refuses to show his books, then all merchandise "intended for delivery" to him can be excluded from the country by order of the Secretary. For example: If an importing house should have an order from a retailer in some distant part of the country, and the retailer should refuse to show his books, the importer would be precluded from importing any other goods intended for delivery to the retailer. It should be noted that this paragraph provides for the inspection of books, not by the collector or appraiser, as in the old law, but by any "duly accredited investigating officer of the United States." This would be a great step backward into the past, when merchants were terrorized by special agents, who came into their offices, seized their books and papers, and sealed their safes.

PARAGRAPH P, SECTION III.

PENALTY FOR REFUSING TO APPEAR AND TESTIFY.

This paragraph requires any person, even though a stranger to the matter in dispute, to appear before the collector or appraiser and to produce his books and papers, under penalty of a fine ranging from $20 to $500 to be summarily imposed. No one is exempt from the operation of this provision, for it would lie in the discretion of the Government officer as to whether or not his appearance or testimony is deemed material.

It should be noted that this provision relates not only to goods under appraisement, but also to goods as to which the classification is in dispute. The question as to classification is frequently one calling for expert testimony of men in high stations in life, whose time is extremely valuable and whom it would be manifestly unfair to take from their business in order to testify to a matter in which they have absolutely no interest. The roster of witnesses who have appeared before the Board of General Appraisers on questions of classification includes professors of colleges, heads of museums, expert chemists, and, in fact, the highest types of men in all professions, as well as the heads of our largest business houses. We submit that to place men of this type at the beck and call of interested parties, compelling them to spend their time and give their services gratis on matters in which they can be interested only academically, would be an abuse of process.

The penal provisions in the paragraph are particularly objectionable because there is conferred upon the collector or chief officer of customs in the customs collection district judicial powers which he has never been permitted to exercise before, namely, the power to impose a fine not less than $20 nor more than $500, which fine, when certified to the district court of the appropriate judicial district, shall be forthwith entered upon the docket and shall have the full force and effect of a judgment of said court, without any provision for review on the part of any duly constituted judicial tribunal.

In connection with this paragraph, we desire to call attention also to the amendment in paragraph O, which permits the general appraisers, the local appraisers, and collectors to examine importers or any other person not only as to the merchandise then under consideration but as to "any imported merchandise * * * previously imported." This is oppressive and contrary to the spirit of our laws. The examination of private books and papers generally is onerous and unjust, as we have pointed out, but when this right of search is permitted to be unlimited in its scope and time, authorizing the compulsion of an importer or other person to delve into transactions that may have been closed up years before, it offends the true sense of justice.

The merchants' association is familiar with the report made by the special agents appointed by the Treasury Department and also the report made by the Dennison committee appointed by the President. Each of these reports magnify the evils which we believe exist only to a small extent. As we have shown, the undervaluation of goods is relatively slight, but we believe that their detection, if difficult, is not caused by want of efficient laws. The difficulties that may have arisen in the past and which are spoken of by the two committees mentioned above are not due to the lack of laws, but to the improper application and administration of existing laws. This does not mean that the radical changes recommended are necessary.

We doubt that if the proposed changes in the customs administrative act had been in effect during the life of the last administration they would have prevented any of the frauds that have been detected during the past four years.

RECOMMENDATIONS.

The Merchants' Association of New York therefore recommends and urges—

First. That if section 3 of the proposed tariff bill is to be enacted at this time at least the amendments indicated above should be incorporated in the measure.

Second. That section 3 be eliminated from the bill entirely, thereby permitting the present customs administrative regulations to remain in force for the time being, and that there be created a committee representative of the Ways and Means Committee, the Treasury Department, the customs service, and the factors affected by the operation of the customs administrative provisions, which committee should make a careful and complete analysis and revision of the administrative regulations, and should report to the Ways and Means Committee in ample time for consideration thereof, and action thereon by your committee and by Congress at the regular session convening in December next.

The reason for this second and preferable recommendation is that the customs administrative portion of the present law is a patchwork, which in many respects, in our opinion, is inconsistent and illogical. An attempt adequately to remedy these features by the process of additional amendments in the pending bill, in our judgment, merely adds to the difficulty already existing. Such a complete revision as we recommend would, we believe, produce a far more effective, just, and consistent code for administrative procedure than has ever existed in the past in connection with any tariff law.

Respectfully submitted.

COMMITTEE ON CUSTOMS SERVICE AND REVENUE LAW,
THE MERCHANTS' ASSOCIATION OF NEW YORK.
THOMAS H. DOWNING, *Chairman.*
H. A. METZ.
J. C. MCCREERY.
JOHN C. EAMES.
JOHN JEROME ROONEY.

Mr. PAYNE. Mr. Chairman, I am heartily in favor of this proposition and I have advocated the change proposed at great length heretofore. It has been a question before the Committee on Ways and Means on several occasions. We have had a good deal of evidence on the subject and a good many statements, and they all resolve briefly into this, that a great portion of these protests are filed by attorneys who take the cases on shares, generally for a moiety of what they recover, sometimes less and sometimes more. On the other hand, there are some honorable attorneys who appear in these cases who do not take cases on shares, but charge a reasonable fee for their services.

Now, it is a reasonable proposition for the importer. He imports the goods and they are appraised at a higher value than he claims they ought to be, but he goes ahead and sells those goods and gets, of course, the higher duties out of his customers. He charges that all in advance, and gets the money in his pocket, and along comes some "ambulance chaser"—because the profession is not quite dead yet—and suggests to the importer that that is all wrong, and that there is a chance to get the money back, and tells him that he will take up the case on shares and that it will not cost the importer a cent to file a protest or anything else. Of course the importer, who is ready and willing to get back this payment, assents, because it is clear gain to him. He consents to that arrangement, and of course the practice is encouraged and the number of these protests is a good deal more than doubled, I think, because of this thing.

The committee went after them once or twice. I think perhaps a mistake was made in fixing the filing fee too high. I think our suggestion was $5 for filing one case. We wanted to stop the practice, but owing to the multiplicity of business and other changes that were demanded then in the administration of the customs laws none of those things were carried through; and I commend this committee that they have put into law this Executive order of the President of the United States, Mr. Taft, requiring this fee to be paid, in order that the people shall not have a chance to gamble without putting up anything against the Treasury of the United States, for an additional profit on the import of their goods. It will help to stop this thing.

Mr. Chairman, the appraisement at some time should be final. You put a provision in the law that after a certain number of days it shall be final if they do not appeal or if they do not protest, and then you say that they can protest without any expense, and then that carries on the time through an indefinite period; and if some other enterprising man puts his money into it and succeeds in a lawsuit, then they come back on the Treasury for the difference in the duty, although they have done nothing but file a protest, and the difference recovered is divided up between these alleged lawyers and their clients. I

think the committee did exactly right in putting this provision in the bill.

The CHAIRMAN. The question is on the amendment of the gentleman from New York [Mr. CALDER].

The amendment was rejected.

Mr. CALDER. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from New York offers a second amendment, which the Clerk will report.

The Clerk read as follows:

Page 177, line 13, strike out "$1" and insert "50 cents."

The CHAIRMAN. The question is on the amendment proposed by the gentleman from New York [Mr. CALDER].

The amendment was rejected.

The Clerk read as follows:

N. That the decision of the collector as to the rate and amount of duties chargeable upon imported merchandise, or upon merchandise on which duty shall have been assessed, including all dutiable costs and charges, and as to all fees and exactions of whatever character (except duties on tonnage), shall be final and conclusive against all persons interested therein, unless the owner, importer, consignee, or agent of such merchandise, or the person paying such fees, charges, and exactions other than duties, shall, within 30 days after but not before such ascertainment and liquidation of duties, as well in cases of merchandise entered in bond as for consumption, or within 15 days after the payment of such fees, charges, and exactions, if dissatisfied with such decision imposing a higher rate of duty, or a greater charge, fee, or exaction, than he shall claim to be legally payable, file a protest or protests in writing with the collector, setting forth therein distinctly and specifically, and in respect to each entry or payment, the reasons for his objections thereto, and if the merchandise is entered for consumption shall pay the full amount of the duties and charges ascertained to be due thereon. Each protest shall be limited to a single article or class of articles, and to a single entry or payment; and issues of classification shall not be joined with other issues in the same protest. Such protest, if overruled by the collector, shall be deemed to be finally abandoned and waived unless within 30 days from the date of filing thereof the person who filed such notice or protest shall deposit with the collector of customs a fee of $1 with respect to each protest: *Provided*, That the person filing any protest may at any time before action of the collector thereon pay such fee. Such fee shall be deposited and accounted for as miscellaneous receipts, and in case the protest in connection with which such fee was deposited shall be finally sustained in whole or in part, such fee shall be refunded to the importer, with the duties found to be collected in excess, from the appropriation for the refund to importers of excess of deposits.

Upon such protest and payment, the collector shall transmit the invoice and all the papers and exhibits connected therewith to the board of nine general appraisers, for due assignment and determination as provided by law; such determination shall be final and conclusive upon all persons interested therein, and the record shall be transmitted to the proper collector or person acting as such, who shall liquidate the entry accordingly, except in cases where an appeal shall be filed in the United States Court of Customs Appeals within the time and in the manner provided for in this act.

Mr. PETERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment which the Clerk will report.

The Clerk read as follows:

Amend, page 180, lines 6 and 7, by striking out the following: "If overruled by the collector."

The amendment was agreed to.

Mr. PETERS. I offer another amendment.

The CHAIRMAN. The gentleman from Massachusetts offers another amendment which the Clerk will report.

The Clerk read as follows:

Amend, page 180, line 10, by striking out the word "deposit" and inserting in lieu thereof the words "have deposited."

The amendment was agreed to.

Mr. PETERS. I offer another amendment.

The Clerk read as follows:

Amend, page 180, lines 11, 12, and 13, by striking out the words "*Provided*, That the person filing any protest may, at any time before action of the collector thereon, pay such fee."

Mr. MADDEN. Mr. Chairman, I wish to ask the gentleman from Massachusetts whether these are machine-made amendments or not? They look as though they were.

Mr. PETERS. They are amendments to perfect the wording of the section.

The amendment was agreed to.

Mr. PETERS. I offer another amendment.

The Clerk read as follows:

Amend, page 180, line 20, by striking out the words "protest and payment" and inserting in lieu thereof the words "payment of duties, protest, and deposit of protest fee."

The amendment was agreed to.

Mr. PETERS. I offer the following amendment.

The Clerk read as follows:

Amend, page 181, line 6, by striking out the words "in this act" and inserting in lieu thereof the words "by law."

The amendment was agreed to.

Mr. POWERS. Mr. Chairman, I move to strike out the last word.

Mr. UNDERWOOD. I ask unanimous consent that debate on this paragraph and amendments thereto be limited to five minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that debate on this paragraph and amendments thereto be limited to five minutes. Is there objection?

There was no objection.

Mr. POWERS. Mr. Chairman, what I am about to say is not germane to this particular paragraph, but I shall consume only a minute or two of time, and I hope no objection will be made.

I am reliably informed that there will be no opportunity given to have a separate vote on the income-tax section of the Underwood tariff bill.

I am in favor of an income tax. I believe it to be one of the fairest methods of raising the revenue with which to defray the expenses of the Government. I regret that this income-tax measure has been made a part of a partisan tariff bill; that the Republicans here have not been permitted to help perfect and pass a fair bill of this sort; and that no Republican can vote for it even in its present form without voting for the entire Underwood tariff bill, which I, for one, can not do.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

O. That the general appraisers, or any of them, are hereby authorized to administer oaths, and said general appraisers, the boards of general appraisers, the local appraisers, or the collectors, as the case may be, may cite to appear before them, and examine upon oath any owner, importer, agent, consignee, or other person touching any matter or thing which they, or either of them, may deem material respecting any imported merchandise then under consideration or previously imported, in ascertaining the dutiable value or classification thereof; and they, or either of them, may require the production of any letters, accounts, or invoices relating to said merchandise, and may require such testimony to be reduced to writing, and when so taken it shall be filed and preserved for use or reference until the final decision of the collector or said board of appraisers shall be made respecting the valuation or classification of said merchandise, as the case may be; and such testimony shall be received in evidence and given consideration in all subsequent proceedings relating to such merchandise.

Mr. PETERS. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Amend, page 181, line 17, by inserting, after the word "accounts," the word "contracts."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken, and the amendment was agreed to.

Mr. PETERS. Mr. Chairman, I offer the following further amendment.

The Clerk read as follows:

Amend, page 181, line 21, by inserting, after the word "collector," the word "appraiser."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken, and the amendment was agreed to.

Mr. PETERS. I offer the further amendment, Mr. Chairman.

The Clerk read as follows:

Amend, on page 181, lines 23 and 24, by striking out the words "testimony shall be received in evidence and" and insert the words "evidence shall be."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

P. That if any person so cited to appear shall neglect or refuse to attend, or shall decline to answer, or shall refuse to answer in writing any interrogatories, and subscribe his name to his deposition, or to produce such papers when so required by a general appraiser, or a board of general appraisers, or a local appraiser, or a collector, he shall be liable to a penalty of not less than $20 nor more than $500, to be summarily imposed by the collector or chief officer of customs in the customs collection district where the citation issued; and upon the report of such officer to the district court in the judicial district where such citation issued the amount of such penalty shall be forthwith entered upon the docket of such court against the person so fined, and such entry shall have the full force and effect of a judgment of said court; and if such person be the owner, importer, or consignee, the appraisement which the Board of General Appraisers or local appraiser, or collector where there is no appraiser, may make of the merchandise shall be final and conclusive; and any person who shall willfully and corruptly swear falsely on an examination before any general appraiser, or Board of General Appraisers, or local appraiser or collector, shall be deemed guilty of perjury; and if he is the owner, importer, or consignee, the merchandise shall be forfeited or the value thereof may be recovered from him.

Mr. ANDERSON. Mr. Chairman, I move to strike out the last word. I want to inquire of the gentleman from Massachusetts if the words "general appraiser" have not been omitted after the word "which," line 16, page 182? The law includes the words "general appraiser," which seems to have been omitted in that bill.

Mr. PETERS. This is the same as the present law.

Mr. ANDERSON. I think not. The words "general appraiser" come in and are included as well as the Board of General Appraisers.

Mr. PAYNE. The Board of General Appraisers is certainly proper and correct, even if this is correct the way it stands.

Mr. PETERS. I did not at first understand the gentleman from Minnesota. The words "general appraiser" were left out at the suggestion of the Treasury Department.

Mr. ANDERSON. I wanted to inquire, because I noticed the omission.

The Clerk read as follows:

W. That there shall be established in each of the consulates of the United States a registry of commissionaires or purchasing agents; that no person shall be permitted to register as such except upon some affirmative showing of his agency by affidavit indicating the scope of such agency, the parties thereto, the duration, the merchandise to which it relates, the terms and conditions of its exercise, and the commissions involved, the truth of each of which affidavits shall be verified by investigation of the consul before registration is permitted; no such registration shall be permitted unless the agency is operative in the open market exclusively and the commissions provided for are the usual and ordinary commissions prevalent in the trade. Each invoice in which an item of commission appears covering merchandise shipped from any consular district where such registry has been established shall have included in the certificate of the consul a statement that the party claiming in the invoice to be the agent of the purchaser appears on the registry of the consulate as such, and in the absence of such certificate no appraising officer shall allow as nondutiable any item of commission appearing on such invoice or claimed on behalf of any importer.

No consular officer shall certify any invoice unless he is satisfied that the person making oath thereto is the person he represents himself to be and that he is a credible person and that the statements made under such oath are true, and he shall thereupon, by his certificate, state that the person is the person he represents himself to be, is a credible person, and he believes the statements made in his oath to be true. No consular officer shall certify to the truth of the values stated in any invoice.

Mr. PETERS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amend, page 187, line 16, by striking out the word "appraising."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was considered, and the amendment was agreed to.

The Clerk read as follows:

CC. That any officer or employee of the United States who shall, excepting for lawful duties or fees, solicit, demand, exact, or receive from any person, directly or indirectly, any money or thing of value in connection with or pertaining to the importation, appraisement, entry, examination, or inspection of goods, wares, or merchandise, including herein any baggage or liquidation of the entry thereof, on conviction thereof shall be fined not exceeding $5,000, or be imprisoned at hard labor not more than two years, or both, in the discretion of the court; and evidence of such soliciting, demanding, exacting, or receiving, satisfactory to the court in which such trial is had, shall be regarded as prima facie evidence that such soliciting, demanding, exacting, or receiving was contrary to law, and shall put upon the accused the burden of proving that such act was innocent and not with an unlawful intention.

Mr. GREENE of Massachusetts. Mr. Chairman. I move to strike out the last word. In reference to what was said yesterday about the five mills in Fall River, I have been giving some attention to other sections of the country that have been brought to my attention, and I have in my possession an article that comes from the New Orleans Picayune, a thorough administration paper. The article is under date of April 30, 1913, and it reads as follows:

Telegrams urging their Senators at Washington to refuse to go into caucus on the Underwood tariff bill were sent from New Orleans last evening by presidents of the Farmers' Union in seven cotton-growing States. The appeal, directed personally to the Senators sent to Washington by farmers, insisted that time be given the association for a further study of the Underwood bill, since it is the unanimous opinion of the gentlemen represented in the conference now on at the Hotel Grunewald that if the new tariff law is enacted it will have a serious effect on the price of raw cotton. Represented in the conference are the presidents of the Farmers' Union in Louisiana, Mississippi, Alabama, Georgia, Texas, Arkansas, and Oklahoma.

Appeals were sent to National President C. S. Barrett, of the Farmers' Union, and to other leaders in the association, urging them to take the question of the tariff up and to fight it in the Senate in so far as the bill will injure the cotton grower.

TARIFF FIGHT URGED.

The effect of the Underwood tariff bill on the price of cotton has already been severely felt, according to evidence presented at the conference hearing yesterday. J. D. Brown, of the large buying house of Brown & Holloman, New Orleans and Mississippi, testified that the price of raw cotton has declined on certain grades from 3 cents to 5 cents a pound. Mr. Brown testified that he has just disposed of a small lot of 1⅛-inch staple which he bought last December at 21 cents and which he sold yesterday for 18 cents.

"American spinners are not buying. They are frightened out by the tariff legislation," Mr. Brown declared. "As a result cotton is already 100 points lower than it was before the tariff question came up so strongly."

The fate of the American cotton grower if American mills are forced out of the manufacture of finer grades of cloths was forcefully brought out by Mr. Brown when he declared that the exporters' price of raw cotton is always lower than the price paid by American manufacturers, and that all grades of cotton used by American mills are affected by the tariff.

For the information of the committee and the country, I will state that the five cotton mills at Fall River, Mass., that will close on Saturday next, use 80,000 bales of cotton annually, and they produce 200,000,000 yards of cotton cloth per annum. They use 47,000 tons of coal and 40,000 gallons of oil and 600,000 pounds of starch annually. When these mills are idle the demand for all these articles are produced outside the limits of Massachusetts. The city of Fall River uses 446,100 bales of cotton, 324,000 tons of coal, 377,800 gallons of oil, and 3,957,850 pounds of starch annually.

The number of cotton spindles in Fall River are nearly 4,000,000, and in New England there are more than 15,000,000 cotton spindles, and there are more than 17,000,000 spindles in the Northern States. I have not the statistics of the materials used in manufacturing cotton goods throughout the Northern States, but it must be apparent to all that these Northern States are not producers of raw materials, but if the mills are constantly employed they are large consumers of the products of other States of the Union, but if the mills are idle for any lengthy period the raw materials are not purchased, and the products of manufacturing plants are thereby limited.

There was also a similar article in the New Orleans Times-Democrat published on the same date. But the Times-Democrat, as I understand it, is not a supporter of the Democratic administration as, I am informed, the Picayune is. The Times-Democrat is an independent Democratic paper.

Mr. HARRISON of Mississippi. Will the gentleman yield?

Mr. GREENE of Massachusetts. Yes.

Mr. HARRISON of Mississippi. Do I understand the gentleman from Massachusetts to say that the New Orleans Daily Picayune is an administration paper?

Mr. GREENE of Massachusetts. I am so informed.

Mr. HARRISON of Mississippi. The gentleman is not correct.

Mr. GREENE of Massachusetts. It is a good paper, and it is nearly as old as I am. It is a Democratic paper, and I have never heard anybody question its authority, whether it supports the administration or not.

Mr. HARRISON of Mississippi. Will the gentleman yield further?

Mr. GREENE of Massachusetts. Yes.

Mr. HARRISON of Mississippi. I want to say to the gentleman that on the tariff program of the present administration the Picayune has had standing editorials against free sugar——

Mr. GREENE of Massachusetts. Thank God for that.

Mr. HARRISON of Mississippi. Against free sugar and other features of the bill, and has stood for the protective tariff ideas that your party stands for.

Mr. GREENE of Massachusetts. That is very good, and I am glad there is a body of people outside of Massachusetts that stands for protection. There are a good many of them throughout the country.

Mr. MOORE. Mr. Chairman, I would like to ask the gentleman if that is not an article simply stating facts, and is not an editorial?

Mr. GREENE of Massachusetts. It is simply a statement of facts published by the New Orleans Picayune, as a matter of public concern not alone in that city, but as affecting the production and price of cotton in seven prominent Southern States and I presume the article would be equally applicable to every cotton-growing State in the Union. Let us see what else there is of interest in the article:

Secretary D. D. Colcock, of the New Orleans Sugar Exchange, was invited to address the conference, and questioned regarding tariff legislation, upon which Mr. Colcock is an expert. Mr. Colcock expressed the belief that the passage of the Underwood bill meant a reduction in the price of raw cotton, and that, most conservatively estimated, it will take not less than $160,000,000 a year out of the pockets of the cotton growers.

Secretary-Treasurer C. B. Bryant, of the American Cotton Manufacturers' Association, testified that since the tariff agitation has become acute and the passage of the Underwood bill was regarded as a certainty, the cotton-goods trade has been in a state of demoralization bordering on panic.

"Some numbers of yarns have declined 6 to 8 cents a pound, and the demand for yarn and cloth has materially fallen off," he declared. "The only business to be had is for small lots for prompt shipment. Large orders for forward shipment are not available."

Mr. Bryant said that if the bill is passed American mills can not operate on the finer counts numbering 50 and above, and all spindles will be forced to go on coarse goods composed of yarn of lower count than No. 50.

LABOR WILL FEEL BLOW.

Mr. Bryant declared that within six months after the passage of the Underwood bill American mills will have turned out more than enough coarse fabrics to overstock the market. "Reduction in operative force will immediately follow," he pointed out. "In the South those operatives will return to the cotton fields to produce a greater quantity of the staple, for which there is no home market. In the East, where the labor is made up largely of foreigners, there will be grave industrial disputes, walkouts, and strikes, with their attendant anarchy.

S. Odenheimer, president of the Lane Cotton Mills, of New Orleans, appeared before the committee early yesterday forenoon, and went over the situation thoroughly from the manufacturers' standpoint. Mr. Odenheimer pointed out the impossibility of the manufacture of the finer grades of goods in competition with the Manchester spinner.

Mr. Odenheimer contended that the cotton manufacturer has not, during the past seven years, paid a dividend on his investment in excess of 5 per cent. He showed how impossible it will be for the cotton-mill operator to pay existing prices for raw cotton, the present wage scale to operatives and break even. "The American spinner now consumes about 5,500,000 bales of American cotton, or a little more than one-third of the entire production, annually," he said. "If American consumption of cotton under this new tariff would decrease 25 per cent, which it doubtless will, that much more cotton will have to be sold in Europe, and as European cotton is not held by cotton mills as in this country, but is carried by cotton merchants, those cotton merchants will have additional leverage to depress the price of cotton."

THE WOOL PARALLEL.

Mr. Odenheimer went into the wool situation, as well as that relating to cotton, and declared that "great quantities of woolen goods are now imported into the United States, which is good evidence that American manufacturers can not compete with Europe on manufactured goods. This heavy lowering of the tariff will bring an immense quantity of woolen goods into the United States, and naturally those woolen goods will take the place of cotton goods, since woolen manufactures will be sold much cheaper than in the past.

"In so far as the cotton farmer is concerned," concluded Mr. Odenheimer, "he should see that cotton consumption is increased and not decreased."

The star witness of the day, in so far as New Orleans and its importance as a cotton market were concerned, was Mr. Brown. Mr. Brown said that he is a cotton buyer; that he buys from the farmer and most generally sells directly to the manufacturer. For 12 years he has specialized in the finer qualities—1½-inch staple and better. Mr. Brown, upon being questioned, declared that New Orleans is the best cotton market in the South; that cotton here usually brings a better price, and that there is always a market. He said that he transacted a little business in Texas, whereupon D. E. Lyday, vice chairman of the cotton ports committee, Farmers' Union, brought up the rate question as applying on Texas cotton to New Orleans and to Galveston. Mr. Brown was unable to say what is the difference between the rates, but repeated his declaration that New Orleans is the best cotton center in the South, and that Galveston nor any other city in this part of the United States can offer better prices or demand than does New Orleans.

The conference was presided over by R. D. Bowen, chairman of the committee on greater consumption of cotton, appointed by the Farmers' Union, Paris, Tex. Present were:

James W. Biard, secretary committee, Paris, Tex.; D. E. Lyday, vice chairman of the cotton ports committee, northeast Texas division Farmers' Union, Fannin County, Tex.; O. W. Taylor, president Oklahoma State Farmers' Union, Roff, Okla.; T. D. Mitchell, president Mississippi State Farmers' Union, Goodwin; O. P. Ford, president Alabama State Farmers' Union, McFall; H. F. Moberley, president Arkansas State Farmers' Union, Prairieview; R. Lee Mills, chairman Louisiana executive committee, Opelousas. Mr. Mills represented President I. N. McCollester, of the Louisiana State Farmers' Union of Many, who is ill and could not be present.

GEORGIA APPROVES.

President I. A. Smith, of the Georgia State Farmers' Union, who has been detained en route owing to floods and delayed traffic, arrived in time for last evening's session of the conference. The work of the past two days was gone over for Mr. Smith, who heartily approved of the action taken.

At midnight the conference adjourned until this morning, when the conferees will again meet at the Hotel Grunewald at 10 o'clock.

Mr. HARRISON of Mississippi. Mr. Chairman, I move to strike out the last two words. In answer to what the gentleman from Massachusetts has said with respect to the New Orleans Daily Picayune, I desire to say that that paper circulates throughout my district. I am a subscriber to the paper and read it daily, and I know that on the tariff question there is no ranker Republican paper in Massachusetts or any other part of the country.

Mr. GREENE of Massachusetts. Does not that prove what Gen. Hancock said—that the tariff is a local issue?

Mr. HARRISON of Mississippi. Mr. Chairman, so far as Louisiana and the Daily Picayune are concerned it may be a local issue, but I do not believe that paper reflects the sentiment of the people of Louisiana, and I know that so far as it concerns the State of Mississippi it does not reflect the sentiment there at all.

Mr. GREENE of Massachusetts. Will not the gentleman say that this report is not an editorial, but a report of an actual proceeding in a meeting held in the city of New Orleans?

Mr. HARRISON of Mississippi. With respect to the meeting of those representatives of the farmers' unions of seven States, that the gentleman reads about and the actions of whom he quotes, I desire to say that it was not a representative gathering of the farmers of those seven States at all.

Mr. GREENE of Massachusetts. It was a gathering, was it not?

Mr. HARRISON of Mississippi. They were a few representatives who got together in New Orleans and had a meeting, and, if they are quoted correctly, are trying to create a sentiment there for protective ideas that do not reflect the sentiment of the people of those seven States.

Mr. GREENE of Massachusetts. Then, the seed is being sown and the plant protective is beginning to grow?

Mr. HARRISON of Mississippi. It is growing very slowly down there.

Mr. GREENE of Massachusetts. That is all right. I am somewhat familiar with conditions in New Orleans myself.

The CHAIRMAN. Without objecton, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

A. That for the purpose of readjusting the present duties on importations into the United States and at the same time to encourage the export trade of this country, the President of the United States is authorized and empowered to negotiate trade agreements with foreign nations wherein mutual concessions are made looking toward freer trade relations and further reciprocal expansion of trade and commerce: *Provided, however*, That said trade agreements before becoming operative shall be submitted to the Congress of the United States for ratification or rejection.

Mr. MURDOCK. Mr. Chairman, I offer the following amendment, which I send to the desk.

Mr. UNDERWOOD. Mr. Chairman, I will ask the gentleman from Kansas if this is the amendment in respect to the tariff commission?

Mr. MURDOCK. It is.

Mr. UNDERWOOD. I desire to make a point of order upon it.

Mr. MURDOCK. Mr. Chairman, I ask unanimous consent to dispense with the reading of the amendment at this time, but that it may be printed at this point in the RECORD.

The CHAIRMAN. The gentleman from Kansas asks unanimous consent that the reading of the amendment may be omitted, but that it may be printed in the RECORD. Is there objection?

There was no objection.

The amendment referred to is as follows:

Page 195, line 10, add, after the word "rejection," the following:

"*And provided further*, That there is hereby created a body to be known as the tariff commission, which shall consist of five commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. No person shall be eligible to serve as a member of said commission while holding any other public office of either honor or profit, either by election or appointment, or who is a Senator or Representative elect of the United States. Not more than three of said commissioners shall be members of the same political party. The commissioners first appointed under this act shall continue in office for the terms of 2, 4, 6, 8, and 10 years, respectively, and from the 1st day of July, A. D. 1913, the term of each to be designated by the President, but their successors shall be appointed for terms of 10 years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. Any commissioner may, after due hearing, be removed by the President upon proof of ineligibility or of any violation of any provision of this act, or for inefficiency, neglect of duty, or malfeasance in office. No vacancy in the commission shall impair the right of the remaining commissioners to exercise all the powers of the commission. Said commissioners shall not engage in any other business, vocation, or employment. Each commissioner shall receive a salary of $7,500 per year. The President shall designate a member of the commission to be chairman thereof during the term for which he is appointed. The commission shall appoint a secretary, who shall receive a salary of $5,000 per annum, and such other employees as it may find necessary to the proper performance of its duties, and shall fix the salary or compensation of each. Three commissioners shall constitute a quorum for the transaction of business as a commission.

"That the principal office of the commission shall be in the city of Washington, and the Secretary of the Treasury shall furnish the commission with suitable offices and equipment thereof and with all necessary supplies. The commission shall, in addition, have full authority as a body by one or more of its members or through its employees, when so authorized by the commission, to conduct investigations at any other place or places, either in the United States or foreign countries, as the commission may determine. Said commission shall promulgate rules and regulations for the safekeeping of all papers, correspondence, tabulations, reports, explanations, and other information gathered by it. All of the expenses of the commission, including all necessary expenses for transportation incurred by the commissioners or by their employees under their orders, in making any investigation in any place other than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the commission.

"That the commission shall have authority and power and it is hereby directed to ascertain and tabulate for purposes of comparison the difference in the cost of producing articles of the same or similar quality and kind in this country and in actually or potentially competing foreign countries. The commission shall ascertain and tabulate for purposes of comparison where such tabulation is practicable in connection with the several articles covered by its reports in the United States, and in such foreign countries the wages, hours of service, and efficiency of labor employed and the standards of living of such laborers. The commission shall likewise ascertain the cost and selling prices of raw material, the cost of labor, the fixed charges, the depreciation upon the true value of the capital invested, and all other items entering into and determining the true cost and selling price of the finished product. The commission shall ascertain the market conditions and the prices at which protective products of the United States are sold in foreign countries, as compared with the prices of such products sold in the United States. The commission shall investigate the effect of transportation rates upon the markets and prices of dutiable products, and so far as pertinent to the tariffs fixed upon articles on the dutiable list the control of such markets and absence or presence of free competition in the same, and shall, pursuant to the purposes of this act in so far as practicable, investigate all questions and conditions relating to the agricultural, manufacturing, mining, commercial, and labor interests with reference to the tariff schedules and classifications of the United States and of foreign countries, and shall investigate the capitalization, industrial organization and efficiency, and the general competitive position in this country and abroad of industries seeking protection from Congress. The commission shall likewise investigate in general and in regard to particular

articles the revenue-producing power of the tariff and its relation to the resources of Government, and shall investigate the effect of tariffs both of the United States and of foreign countries on prices, on the operations of middlemen, on the wages paid for labor, and on the purchasing power of the consumer. The commission shall also make investigation of any particular subject whenever directed by either House of Congress or the President of the United States. The commission shall have the power to call upon any of the existing departments or bureaus of the Government for information on file in such departments or bureaus which it may require in connection with the work which it is authorized to do by this act, and it shall be the duty of every such department or bureau of the Government to furnish such information on request from the commission. It shall be the duty of said commission to hold hearings from time to time at such places as it may designate to determine industrial, commercial, and labor conditions in relation to costs of production and effects and operations of the tariff schedules and classifications in force in the United States and in foreign countries. Such hearings shall be public, except as otherwise herein provided. The commission shall, whenever practicable, give at least 10 days' public notice of any and all such hearings, and at any such hearing any person may appear before said commission, subject to such reasonable limitation upon the amount of and duplication of testimony and arguments as may be provided by the rules of said commission, and be heard or may be represented by attorney and may file any written statement or documentary evidence bearing upon any matter which the commission may have under investigation. The commission may from time to time make or amend such general rules or orders as may be requisite for the orderly regulation of proceedings before it, including form of notices and the service thereof. Every vote and official act of the commission and of each member thereof shall be entered of record. Any of the members of the commission or its secretary shall have the power to administer oaths and affirmations and to sign notices.

"That to assist the President in securing information as to the effect of tariff rates, restrictions, exactions, or any regulations imposed at any time by the United States or any foreign country upon the importation into or sale in the United States or any foreign country of the products affected, and as to any export bounty paid or export duty imposed or prohibition made by any country upon the exportation of any article to the United States which discriminates against the United States or the products thereof, and to assist the President in the application of the maximum and minimum tariffs and other administrative provisions of the customs laws and in obtaining information concerning the economic results of said laws, the commission shall from time to time make report as the President shall direct, and upon direction by the President shall draft a plan for scientific classification of schedules in aid of administration of the provisions of the customs laws.

"That for the purposes of this act in the case of articles on the dutiable list, and such other articles as the commission may decide or may be directed to investigate, the said commission is authorized to require of any person, firm, copartnership, corporation, or association engaged in the production, importation, manufacture, or distribution of any such article or articles the production of all books, papers, contracts, agreements, invoices, inventories, bills, and documents of any such person, firm, copartnership, corporation, or association and make every inquiry necessary to a determination of the value of such property and necessary to accomplish the purposes for which said commission is created. In aid of its powers herein granted to secure information the commission shall have the power, whenever necessary for the purposes of its investigations, to prescribe and enforce uniform systems of accounting for protected industries, for manufacturers, and producers of commodities protected by import duties. The commission is authorized to require by notice the attendance and testimony of witnesses and the production of all books, papers, contracts, agreements, inventories, invoices, bills, and documents relating to any matters pertaining to such investigation. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing, and witnesses shall receive the same fees as are paid in the Federal courts.

"That the district courts of the United States, upon the application of the commission alleging a failure to comply with any order of the commission with relation to the attendance and testimony of witnesses and the production of documentary evidence, shall have jurisdiction to issue the necessary process or writs for the enforcement of the orders of the commission, and in case of disobedience to a subpœna the commission or a member thereof may invoke the aid of any one of the district courts of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and documents within the jurisdiction of such court within which an investigation or inquiry by the commission is being carried on. In case of contumacy or refusal to obey a subpœna issued to any person or corporation subject to the provisions of this act, any of the district courts of the United States having jurisdiction as herein provided may issue an order requiring such person or corporation to appear before the commission and produce books, documents, and other papers if so ordered and give evidence concerning the matter under investigation by the commission, and any failure to obey such order of the court may be punished by such court as a contempt thereof. The commission may also order testimony to be taken by deposition in any investigation and at any stage of such investigation. Such deposition may be taken before any person authorized so to do by the commission and who has power to administer oaths. Any person may be compelled to appear and depose and produce documentary evidence in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the commission as hereinbefore provided. Such testimony shall be reduced to writing. No person shall be excused from attending and testifying or from producing books, papers, documents, or other things before the commission or in obedience to the subpœna of the commission whether such subpœna be signed or issued by one or more of the commissioners or the secretary of the commission on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to criminate him or to subject him to a penalty or forfeiture. But no natural person shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may testify under oath or produce evidence, documentary or otherwise, before said commission in obedience to a subpœna issued by it: *Provided*, That no person so testifying shall be exempt from prosecution and punishment for perjury committed in so testifying.

"In any investigation conducted by the commission as herein provided, the testimony of any witness in regard to secret processes or trade secrets not contrary to public policy shall not be reduced to writing, nor shall any documents of like character be copied into the records of investigations or otherwise made a part thereof, and for the purpose of obtaining such testimony or of examining such documents, and for such purposes alone, the commission shall have the power to hold secret sessions and take evidence thereat. All other testimony shall be reduced to writing, and, with all other documentary evidence received, incorporated in the records of the commission for the guidance of the commission and for the use of the President and Congress as hereinafter provided: *Provided*, That no evidence or information secured for the confidential use of the commission shall be made public in such a manner as to be available for the use of any business competitor or rival of the firm, copartnership, corporation, or association from whom or concerning whom such evidence or information was obtained: *And provided further*, That in case in any investigation authorized by this act the commission shall obtain evidence or information for its confidential use, the commission shall not be required to divulge the names of persons furnishing such evidence or information.

"The commission shall make annual reports to Congress of its investigations and conclusions and such special reports as the President or either House of Congress may direct. The annual reports shall be published and ready for distribution on the first Monday of December of each year. Upon demand of either the President or either House of Congress the commission shall make a report of all testimony and information upon which its reports are based."

Mr. MURDOCK. Mr. Chairman, I will ask the gentleman from Alabama to reserve the point of order.

Mr. UNDERWOOD. Mr. Chairman, I reserve the point of order.

Mr. MURDOCK. Last Friday I gave notice that I would offer to the administrative features of the bill an amendment embodying a plan for an efficient tariff commission. Yesterday to a previous section in the bill the gentleman from New York [Mr. PAYNE] offered his tariff commission amendment. A point of order was made against it and the point of order was sustained. I offer at this point my tariff commission plan on behalf of the Progressives, and the gentleman from Alabama reserves the point of order against it. No doubt the point of order will be sustained when it is made. On the motion to recommit, if the point of order is sustained now, it will be, if made again, sustained then, and I am availing myself of these five minutes for the purpose of explaining what this tariff commission amendment which I have offered provides, which the tariff commission plan offered by the gentleman from New York does not provide. There are two propositions before the House in respect to a tariff commission. One of them has teeth, one of them has efficiency, and the other has not. The one which I have offered has efficiency, and the one which the gentleman from New York has offered has not. The whole crux of a tariff commission bill is found in the power given the commission to elicit all information, not partial in formation, not fragmentary truth, not half truth, but the whole truth.

There is one effective way in which a commission can get at all the truth, and that is by having the power to invoke the aid of the courts in compelling testimony and the production of documents. My amendment does that thing. The bill proposed as an amendment by the gentleman from New York does not. The bill proposed by the gentleman from New York provides that the commission, in the case of failure of testimony, shall have this power over recalcitrant witnesses:

The commission may report to Congress such failure, specifying the names of such persons, the individual name of such firm or copartnership, and the names of the officers and directors of each such corporation or association so failing, which report shall also specify the article or articles produced, imported, or distributed by such person, firm, copartnership, corporation, or association, and the tariff schedule which applies to such article.

That is, wherever a witness is recalcitrant, and inferentially a beneficiary of a high protective tariff, he shall be reported to the House, and with him that schedule in the tariff in which he is interested. To my mind that as an effective measure is absurd. Suppose, for instance, that the officers of the American Woolen Co. refused to testify before the commission as to the facts pertinent to the woolen business. All we could do under the provisions of the bill of the gentleman from New York would be to report those men to Congress, and apparently under the punitive meaning of this paragraph Congress would be expected to take some sort of revenge upon all those in the manufacture of woolens, because of some few recalcitrant witnesses. In other words, under the provisions of the commission bill of the gentleman from New York Congress would be expected to punish the innocent among the manufacturers of wool for the guilt of others, those who had refused to testify. The crux of an efficient tariff commission, then, is the power of the commission to compel testimony, not by the threat of writing a tariff against all because some one witness refuses to testify, but by invoking the aid of the courts in compelling testimony before the commission.

Now, the second proposition which is essential to the efficiency of a tariff commission is a provision for a uniform system of accounting for the great protected industries so that actual needed comparisons may be made as to the cost of production and other factors pertinent to just tariff rates. The recent

Tariff Board in its work found that the absence of this power was a serious impediment in its attempt to get at all the facts.

The third proposition which is essential to the effectiveness of a tariff commission——

The CHAIRMAN. The time of the gentleman has expired.

Mr. MURDOCK. I would like to ask the gentleman if I may proceed for three or four minutes.

Mr. UNDERWOOD. I will say to the gentleman I can not violate my rule in regard to the five-minute debate——

Mr. MANN. Mr. Chairman, I think under the circumstances the gentleman from Kansas ought to have an opportunity to be heard.

Mr. MURDOCK. It will only take three or four minutes.

Mr. UNDERWOOD. If it is understood I am not waiving my rule, I will ask unanimous consent that the gentleman may proceed for five minutes.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MURDOCK. The third proposition is this: Almost all commission bills contain a provision dealing with executive sessions of the commission and the necessity of secrecy in hearings in the matter of trade processes and trade secrets. Provision for secrecy, unless carefully guarded, is a dangerous proposition in any bill, and in the bill which has been offered by the gentleman from New York certain wide latitude is given to the commission which should not be given.

His bill provides—

That in any investigation authorized by this act the commission may obtain the evidence or information as it may deem advisable, for its confidential use; and in case the evidence or information is so obtained, said commission shall not be required to divulge the name of persons furnishing such evidence or information.

There is no provision in the bill of the gentleman from New York for the prohibition of secret testimony if it is against public policy. There is no prohibition in his bill which will prevent any producer or any manufacturer who is a beneficiary of a high protective tariff from getting a secret meeting of the commission merely to hear his testimony. In the measure which I have introduced the provision for secrecy is very carefully guarded against possible abuse. Secret sessions shall not be held merely at the request of the man who is a beneficiary of a tariff. We propose that there shall be no secret session except on the motion of the commission, and then when it is dealing only with trade secrets and secret processes.

Mr. MARTIN. Will the gentleman yield before he goes to another proposition?

Mr. MURDOCK. Certainly.

Mr. MARTIN. As I understood the gentleman, he speaks in favor of a method of dealing with unwilling witnesses in comparison with the one in the bill of the gentleman from New York [Mr. PAYNE], that being by an appeal to the Congress. Now, I would like to suggest to the gentleman whether the policy of appealing to the courts in the case of an unwilling witness will not be the very slowest possible remedy, because, pending appeal, by every means known to delay court proceedings, the very object of an investigation might not be indefinitely postponed.

Mr. MURDOCK. On the contrary, it will get all the facts. As the gentleman from South Dakota knows, in our Money Trust investigation we had recalcitrant witnesses and were not able to get the desired testimony.

Mr. MARTIN. I quite disagree with the gentleman. I think we found it to be the quickest way.

Mr. MURDOCK. As a matter of fact, one defiant witness would not testify.

Most of the tariff bills that have been introduced—but not the bill introduced by the gentleman from New York [Mr. PAYNE]—provide something that all tariff students have contended for for years—for the right of the commission, at the direction of the President, to draft a scientific classification of tariff schedules. We are here passing a long omnibus tariff bill. If the bill should go upon the statute books and stay there for five or six years, inside of that period, by reason of our antiquated methods of classification, the constructions of the department will change the major part of that bill. I am told, and I think authentically, that the Dingley bill, before it was finally repealed, had been changed by that method of construction in the department in at least 60 per cent of its items.

The scope of the commission to investigate in my amendment is wide and fully defined. In the amendment of the gentleman from New York it is restricted.

In a word, the difference in the bill offered by the gentleman from New York [Mr. PAYNE] and the bill offered by myself is this: The bill offered by myself is efficient; it will secure the facts. The bill offered by the gentleman from New York is the same old stone given to the people when they are asking for bread. The bill offered by the gentleman from New York [Mr. PAYNE] is vague and nebulous and is as lacking in specification as the platform upon which it is based.

In 1908 the Republican platform attempted to definitely show the position of the Republican Party upon the tariff. It said:

The Republican Party declares unequivocally for a revision of the tariff by a special session of the Congress immediately following the inauguration of the next President and commend the steps already taken to this end in the work assigned to the appropriate committees of Congress, which are now investigating the operation and effect of these schedules. In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between cost of production at home and abroad, together with a reasonable profit to American industries.

I think that the majority of the Members in this House believe that the same thing was in the Republican platform of 1912; but the Republican Party, in its national convention in 1912, rejected that definition of protection, left it out of its platform, and here is the vague, uncertain tariff plank in the Republican platform of that year:

We hold that the import duties should be high enough, while yielding a sufficient revenue, to protect adequately American industries and wages.

The Progressives stand for the creation of an efficient nonpartisan scientific tariff commission, advisory to Congress, with plenary power to adduce all facts necessary to a just revision of the tariff, including the power to call upon the courts for orders for development of testimony, to prescribe and enforce uniform systems of accounting for protected industries; to draft a plan for scientific classification of schedules; to investigate and report its conclusions on the cost of production, efficiency of labor, capitalization, industrial organization and efficiency, and the general competitive position in this country and abroad of industries seeking protection from Congress; as to the effect of the tariff on prices, on operations of middlemen, and on the purchasing power of the consumer; and as to the revenue-producing power of the tariff and its relation to the resources of Government; and to tabulate for purposes of comparison the wages, hours of service, and efficiency of labor and standard of living in the United States and in competing foreign countries, and to ascertain and report the cost and selling prices of raw material, the cost of labor, the fixed charges, the depreciation upon the true value of the capital invested, and all other items entering into and determining the true cost and selling price of the finished product, together with the market conditions and the prices at which protected products of the United States are sold in foreign countries as compared with the prices of such products sold in the United States; and as to the effect of transportation rates upon the markets and prices of dutiable products, the control of markets, and the absence or presence of free competition; and to investigate all questions and conditions relating to the agricultural, manufacturing, mining, commercial, and labor interests with reference to the tariff schedules and classifications of the United States and of foreign countries. And the Progressives also stand for the revision of the tariff, schedule by schedule, with full consideration of each of the provisions, and record votes on each. In that way a just tariff can be written. It can not be written in an omnibus bill, without information, and under the whip and lash of caucus rule.

Mr. LENROOT. Mr. Chairman, during this session of Congress there have not been many things with which I have been able to be in accord with the gentleman from Kansas [Mr. MURDOCK], and so I am especially glad that upon this proposition he and I are in accord in a great many particulars, for I find that this tariff-commission bill introduced by him, representing the Progressive Party, has been copied almost verbatim—at least three-fourths of it—from a bill introduced by me on the first day of this session, and also introduced by me at the last session of Congress. [Laughter.]

Mr. MURDOCK. Will the gentleman yield?

Mr. LENROOT. Yes.

Mr. MURDOCK. It is true that wherever I found a good point in the gentleman's bill I took it, and I want to ask the gentleman now in all fairness if his bill is like the bill of the gentleman from New York [Mr. PAYNE]?

Mr. LENROOT. There are a great many——

Mr. MURDOCK. Your bill goes further.

Mr. LENROOT. In detail, but not so far as the power conferred upon the commission is concerned.

Mr. MURDOCK. I disagree with the gentleman, and I do not think he is entirely correct in that.

Mr. LENROOT. The gentleman has two propositions in his bill that are not found in other bills that have been introduced. One of them is a provision that his proposed tariff commission shall have the power and it shall be its duty to prescribe a uni-

form system of accounting for the different industries and factories of the country.

Mr. MURDOCK. Is that in the gentleman's bill?

Mr. LENROOT. No; I am glad to say it is not. That is original in the bill introduced by the gentleman from Kansas [Mr. MURDOCK]. Of course, if the gentleman had been a lawyer—which he is not, and therefore he is excusable—he would have known that it is not within the power of Congress to prescribe any such thing as that. The Federal Government has no right to place its hand upon a factory or upon an industry wholly within the limits of a State not engaging in interstate commerce and not engaging in foreign commerce, and prescribe how they shall keep their books. No lawyer in this House would contend for a moment that that provision in the gentleman's bill would stand for a moment. In order to make it stand, the gentleman should have added to his provision the qualification that if these industries are engaged in either interstate or foreign commerce the commission have that power, but not otherwise.

Indeed, if we did have the power that the gentleman would seek to impose in his bill as drawn by him, the Federal Government would have the power to go into every State, into every industry of every State, and not only prescribe uniform systems of accounting, but prescribe and regulate every other thing that they do, taking away the power of the States over them entirely. And while the time may come—and I believe it will come—when we shall have to broaden our power with respect to that, this is the first time that I have ever heard it suggested by anyone that Congress has the power which the gentleman now says he proposes to give it by, to use his language, "putting teeth" into a bill creating a tariff commission.

Now there is one other proposition that the gentleman announced, that of invoking the power of the Federal Government with reference to securing the testimony of witnesses. That is one way of doing it; and it is a question of opinion as to which is the best way, as to which is the most effective way, of securing testimony. And if the gentleman had been studying this question when he was a Republican as thoroughly as he has been studying it of late [laughter], I think he would have come to the conclusion, as other students have, that the most effective way of securing this testimony is to place it directly in the power of Congress. Congress is in session nearly all the time, and there is no difficulty in securing such relief as may be necessary.

But, Mr. Chairman, perhaps the gentleman from Kansas is not aware of the fact that the most effective way of securing information is not through testimony, not through hearings, but by going into the mills of the manufacturers themselves, having their books examined by experts, as was done by the last Tariff Commission. And I want to say in passing that there is only one instance within my knowledge where admission was refused to the mills to the experts of the Tariff Commission. The Congress must not be dependent upon the testimony of interested manufacturers, because when we do depend upon that we have got the same old system—of manufacturers coming before the Committee on Ways and Means and testifying there—without getting down to bedrock facts at all. In order to get this information we must get experts who will go into the mills and into the factories and there find out the costs of production, and not depend upon the testimony of manufacturers.

The principal purpose in giving a commission the power to subpœna witnesses, and so forth, is that in case the manufacturers shall refuse to permit the experts of the Government to go into their factories and examine their books, there shall be a means of compelling them to give the information. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. UNDERWOOD. Mr. Chairman, I make the point of order that the amendment is not germane to the paragraph.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] makes the point of order that the amendment is not germane. In ruling upon a similar point of order yesterday, namely, on the amendment proposed by the gentleman from New York [Mr. PAYNE], the Chair did not enter into any elaborate argument, but——

Mr. MURDOCK. Mr. Chairman, will the Chair, before he begins, listen to me just for a moment?

The CHAIRMAN. Yes.

Mr. MURDOCK. My amendment is offered as being germane to the paragraph.

The CHAIRMAN. The Chair understands; and the gentleman from Alabama [Mr. UNDERWOOD] makes the point of order that it is not germane to the bill.

In ruling on the point of order made yesterday to the amendment proposed by the gentleman from New York [Mr. PAYNE], the Chair did not enter into any elaborate statement of the reasons for his ruling, but contented himself with the statement of his conclusions. The Chair will not enter into any elaborate argument upon the proposition at this time; but he thinks that in justice to himself, as well as to the members of the committee, it would be well to make more clear than was made in the statement yesterday the principle upon which the Chair rested his decision.

The Chair desires to read at this point some reasoning by Mr. Carlisle in the decision which was referred to in the debate yesterday, in ruling upon a point of order in what the Chair regards as a case analogous to the one before the committee:

> When, therefore, it is objected that a proposed amendment is not in order because it is not germane, the meaning of the objection is simply that it (the proposed amendment) is a motion or proposition on a subject different from that under consideration. This is the test of admissibility prescribed by the express language of the rule; and if the Chair, upon an examination of the bill under consideration and the proposed amendment, shall be of the opinion that they do not relate to the same subject, he is bound to sustain the objection and exclude the amendment, subject, of course, to the revisory power of the Committee of the Whole on appeal.
>
> It is not always easy to determine whether or not a proposed amendment relates to a subject different from that under consideration, within the meaning of the rule; and it is especially difficult to do so when, as in the present instance, the amendment may, by reason of the terms it employs, appear to have a remote relation to the original subject.

Now, in the amendment proposed by the gentleman from New York on yesterday, and in the amendment proposed by the gentleman from Kansas [Mr. MURDOCK] to-day, there are certain provisions that the President of the United States may utilize this Tariff Commission in the administration of the law. But no one, in the opinion of the Chair, would insist that that was or is in any respect the fundamental purpose involved in the amendment proposed by the gentleman from New York [Mr. PAYNE] and in the amendment proposed by the gentleman from Kansas [Mr. MURDOCK]. It has not been argued at any time by any gentleman speaking upon this question of a tariff commission that it was essential for that purpose, or that that was anything more than merely an incidental part. The fundamental purpose of the Tariff Commission proposed in the amendment offered by the gentleman from Kansas is, as it was in that offered by the gentleman from New York, one entirely different from that, and in the opinion of the Chair that purpose was not germane to this bill, the full intent of which is expressed in the title—

> To reduce tariff duties and to provide revenue for the Government, and for other purposes—

The words "and for other purposes" there, of course, referring to the administrative features of the act, as the Chair understands.

That being true, the fundamental thing in the proposition not being germane, in the opinion of the Chair it does not matter that there were certain incidental features of it that might, if offered in a different way, have been germane to the administrative features of the bill.

The Chair will try to put the matter in two short sentences. The Chair holds that when it clearly appears from the context of a proposed amendment that its real purpose and fundamental intent is not germane to the bill, then the mere fact that some incidental feature of it may be germane to some feature of the bill does not render the whole proposed amendment in order. The Chair thinks the fair and reasonable interpretation of the rules applicable (clause 7 of Rule XVI and the first part of clause 3 of Rule XXI) is that the salient purpose of the proposed amendment, as deduced from its context, must be the measuring rod, and if this be not germane then it must be held out of order.

Following this reasoning, and connecting it with the well-settled principle which has been laid down again and again that if a portion of a proposed amendment be out of order the whole must be ruled out, and having clearly in mind the impression that the salient feature of the amendment proposed yesterday by the gentleman from New York [Mr. PAYNE], and of that now proposed, was and is obnoxious to the rules cited, the Chair sustained the point of order yesterday, and the Chair, on the same reasoning, sustains the point of order to-day. [Applause on the Democratic side.]

Mr. ANDERSON. I desire to offer an amendment to the paragraph.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amend, page 195, line 10, by adding at the end of line 10 the following:
>
> "*Provided further*, That the act entitled 'An act to promote reciprocal trade relations with the Dominion of Canada, and for other purposes,' approved July 26, 1911, be, and is hereby, repealed."

Mr. UNDERWOOD. I make the point of order that that is not germane to the subject matter.

The CHAIRMAN. The gentleman from Alabama makes the point of order that the amendment is not germane to the subject matter.

Mr. UNDERWOOD. To the bill or the paragraph.

The CHAIRMAN. To the bill or the paragraph. Does the gentleman from Minnesota desire to be heard on the point of order?

Mr. ANDERSON. Mr. Chairman, I think this amendment is germane. This paragraph authorizes the President of the United States to enter into negotiations for reciprocal relations. The amendment which I have offered proposes to repeal an act which carries out on the part of the United States a reciprocal agreement negotiated under this very provision. It seems to me that there can be no question that the amendment which I offer is certainly germane to the bill, and it seems to me germane to the paragraph.

The CHAIRMAN. Under clause 3 of Rule XXI, this being a paragraph authorizing the President to negotiate trade agreements, it hardly seems to the Chair that it would be in order to here offer an amendment proposing the repeal of an act. The Chair sustains the point of order.

Mr. ANDERSON. Do I understand the Chair to hold that the amendment is not in order at any point in the bill?

The CHAIRMAN. The Chair holds that the amendment is not in order at this point in the bill.

Mr. PAYNE. Mr. Chairman, I move to strike out the last word in order to express my regret that the committee have not provided for a maximum and minimum tariff in this bill.

The maximum and minimum provision in the present law has accomplished much good, so that the various discriminations made against the articles imported from this country by other nations have been entirely done away with, except in cases where there were treaty obligations that they could not get rid of.

It has removed restrictions by way of inspections that we have complained of for many years and it has given us minimum rates in getting our goods into countries that have maximum and minimum rates.

Now we have no provision whatever to meet that. This pretense incorporated into this paragraph does not meet the situation, improve the situation, or change the present law in any particular.

The President already has the power to negotiate commercial agreements subject to the approval of Congress. Under the Dingley law we had a provision, that was suggested in the Senate, whereby he might negotiate treaties to be ratified by the Senate and afterwards to become effective when Congress passed a law carrying out their provisions. But that was simply a reenactment of the Constitution of the United States which allowed the President to make treaties ratified by the Senate and subject to the further condition that the Congress should make a law to carry them into effect when they either involved an appropriation or a change in the revenue system. So that provision of the Dingley law is still in force unless they repeal the Constitution of the United States by an enactment of Congress, and I am not sure but that will be attempted some of these days.

They have, before this paragraph goes into effect, authority in the President of the United States to negotiate these trade agreements. How did President Taft get the authority to negotiate the treaty with Canada for reciprocity? This provision was not in existence then, and yet no one disputed his authority to make that negotiation.

Of course, it had no effect until it was ratified by Congress, approved by Congress by the passage of a law, and it provided also by its terms and by the law that we passed that it still would have no effect until the Canadian Government agreed to it and the Canadian legislative power agreed to it.

There is no difficulty without this paragraph; it is simply here as an excuse to that large body of the American people that would like to see something in the tariff act that will meet trade discriminations by the other civilized nations of the world and give us a chance in their markets.

The maximum and minimum provision ought to have been kept in the bill. If the gentleman wanted to amend it, it was at his option. If he believed his rates should be the maximum, why did not he put in a minimum? A maximum and minimum tariff ought to be in every tariff bill. We need it for our protection to unlock the closed markets of the world while they legislate along the same line and carry their legislation into effect. That is one of the blemishes that appears so prominently in the bill that I did not feel warranted in allowing it to pass at this late hour without making these suggestions on the subject. Of course, I could not offer any amendment.

Mr. UNDERWOOD. Mr. Chairman, I move to close all debate on this paragraph and amendments thereto in five minutes.

The CHAIRMAN. The gentleman from Alabama moves to close all debate on this paragraph and amendments thereto in five minutes.

The motion was agreed to.

Mr. UNDERWOOD. Mr. Chairman, I know that my friend from New York [Mr. PAYNE] is wedded to the maximum and minimum tariff theory. It was in the Payne bill, and therefore my friend approves of it. But if there ever was a proposition placed in a bill in the legislative history of this country that was ineffective and inoperative it was the maximum and minimum features of the present tariff law. In the first place, the gentleman put in a system that had been abandoned by European countries years ago. He made the conventional rate in his bill the minimum rate and then increased it to the maximum by authorizing the President to increase the tax 25 per cent. The European nations that first invented this system of minimum and maximum rates attempted that procedure 25 years ago. They went to the balance of the world, as my friend from New York attempted to go, with a big stick demanding trade, and they discovered that you could not build up trade along that line. So, when the gentleman from New York wrote the present maximum and minimum into the law, he wrote into this law an effete system that had been abandoned by its original authors. It is true the countries of Europe to-day, many of them, maintain a minimum and maximum tariff, but they establish as their conventional tariff their maximum tariff and provide a minimum rate below it.

In other words, instead of going to the world with a big stick and saying, "We will shatter your commerce coming into our country if you do not make concessions," modern Europe says to the world, "Our conventional rate is our maximum rate, but if you will trade with us we will grant you concessions." That is the only way that nations or men can deal with each other, and so far as the minimum and maximum rate is concerned, it does not require a demonstration on our part that it was a failure in the present law. President Taft went to Canada with this big stick demanding concessions from Canada, particularly with reference to paper and wood pulp, and the minister of foreign relations in Canada, Mr. Fielding, in stating the case before the Canadian Parliament, said to them, when he carried the Canadian reciprocity treaty before that house, that it originated out of the theory of the American Government to secure concessions under its maximum rate, and the question was not as to whether Canada should yield, but as to how Canada should make some concessions in order to allow the envoys of the United States to return home without being discredited. That is the condition that the minimum and maximum rate put us in. It forced the President of the United States, without warrant of law and without authority of law, to negotiate a contract that subsequently was ratified by law, but without a line on the statute books to justify it, and when that act became a law we wrote into the Canadian reciprocity act a provision similar to this authorizing the President of the United States to negotiate further trade agreements with Canada, and my friend from New York [Mr. PAYNE] supported the proposition in the Ways and Means Committee, and voted for it on the floor of the House. The maximum and minimum tariff rate as contained in the present law was not only repudiated by the President's action, but in the last Congress the Secretary of State, Mr. Knox, sent a communication to this House, which was referred to the Committee on Ways and Means, indicating how ineffective the present law was in developing our commerce with foreign nations, and he petitioned this House to change the law in order that we might expand our commerce. We could have made the rate in this bill the maximum rate and allowed a concession in favor of developing foreign commerce, but we concluded that it would be more effective to absolutely untie the hands of the President of the United States and authorize him to go to foreign nations, by warrant of law, and negotiate a trade agreement. The important question in this provision of the law is that the President of the United States might make some agreement, but when the agreement came back to this House it would be open to amendment; it would not be carried out as an agreement; it could be only passed as an independent law and placed on the statute books. The provision in this bill is that the President of the United States can negotiate a trade agreement, and in order that there might not be confusion about it, in order that the minds of the contracting parties may meet, it is provided that the Congress shall ratify or reject that agreement.

The CHAIRMAN. The time of the gentleman from Alabama has expired. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

C. That there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That all articles, the growth or product of or manufactured in the Philippine Islands from materials the growth or product of the Philippine Islands or of the United States, or of both, or which do not contain foreign materials to the value of more than 50 per cent of their total value, or 20 per cent in case of manufactures of tobacco, upon which no drawback of customs duties has been allowed therein, coming into the United States from the Philippine Islands shall hereafter be admitted free of duty: *Provided, however*, That in consideration of the exemptions aforesaid, all articles, the growth, product, or manufacture of the United States, upon which no drawback of customs duties has been allowed therein, shall be admitted to the Philippine Islands from the United States free of duty: *And provided further*, That the free admission, herein provided, of such articles, the growth, product, or manufacture of the United States, into the Philippine Islands, or of the growth, product, or manufacture, as hereinbefore defined, of the Philippine Islands into the United States, shall be conditioned upon the direct shipment thereof, under a through bill of lading, from the country of origin to the country of destination: *Provided*, That direct shipment shall include shipments in bond through foreign territory contiguous to the United States: *Provided, however*, That if such articles become unpacked while en route by accident, wreck, or other casualty, or so damaged as to necessitate their repacking, the same shall be admitted free of duty upon satisfactory proof that the unpacking occurred through accident or necessity and that the merchandise involved is the identical merchandise originally shipped from the United States or the Philippine Islands, as the case may be, and that its condition has not been changed except for such damage as may have been sustained: *And provided*, That there shall be levied, collected, and paid, in the United States, upon articles, goods, wares, or merchandise coming into the United States from the Philippine Islands, a tax equal to the internal-revenue tax imposed in the United States upon the like articles, goods, wares, or merchandise of domestic manufacture; such tax to be paid by internal-revenue stamp or stamps, to be provided by the Commissioner of Internal Revenue, and to be affixed in such manner and under such regulations as he, with the approval of the Secretary of the Treasury, shall prescribe; and such articles, goods, wares, or merchandise, shipped from said islands to the United States, shall be exempt from the payment of any tax imposed by the internal-revenue laws of the Philippine Islands: *And provided further*, That there shall be levied, collected, and paid in the Philippine Islands, upon articles, goods, wares, or merchandise going into the Philippine Islands from the United States, a tax equal to the internal-revenue tax imposed in the Philippine Islands upon the like articles, goods, wares, or merchandise of Philippine Islands manufacture; such tax to be paid by internal-revenue stamps or otherwise, as provided by the laws in the Philippine Islands; and such articles, goods, wares, or merchandise going into the Philippine Islands from the United States shall be exempt from the payment of any tax imposed by the internal-revenue laws of the United States: *And provided further*, That in addition to the customs taxes imposed in the Philippine Islands, there shall be levied, collected, and paid therein, upon articles, goods, wares, or merchandise imported into the Philippine Islands from countries other than the United States, the internal-revenue tax imposed by the Philippine Government on like articles manufactured and consumed in the Philippine Islands or shipped thereto for consumption therein, from the United States: *And provided further*, That from and after the passage of this act all internal revenues collected in or for account of the Philippine Islands shall accrue intact to the general government thereof and be paid into the insular treasury: *And provided further*, That section 13 of "An act to raise revenue for the Philippine Islands, and for other purposes," approved August 5, 1909, is hereby repealed.

Mr. GILLETT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Insert on page 196, line 11, after the word "duty," the following:

"Except cigars in excess of 150,000,000 cigars, which quantity shall be ascertained by the Secretary of the Treasury under such rules and regulations as he shall prescribe."

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this amendment be limited to 15 minutes, 10 minutes to go to that side.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GILLETT. Mr. Chairman, this amendment is intended to restore the provision which was in the Payne bill, but which is omitted in this bill, limiting the importation of cigars from the Philippine Islands to 150,000,000. The House will remember that when the Payne bill was passed it allowed free access to this country of Philippine products, with the limitation that only 150,000,000 cigars could enter without duty, in order, of course, to protect our cigar manufacturers, and not build up in the Philippine Islands a great island industry for the manufacture of cheap cigars which would flood this country. In order, however, to treat the Philippines fairly, it allowed 150,000,000 to come into this country free, so that a reasonable cigar industry there might have an outlet.

Now, gentlemen of this House must be familiar with the fact that in the Connecticut Valley are grown the best wrappers in the world, and there are also manufactured the best cigars in the world, bar none, although perhaps some artificial and unnatural taste may lead some Members to prefer a Havana flavor. Now, in the last campaign, up and down the Connecticut Valley, some Democratic candidates for Congress attacked the Republican Congressmen on the ground that they had voted for the Payne bill, which allowed an entry into the United States of 150,000,000 of Philippine cigars in rivalry and competition with the Connecticut Valley cigars. They claimed that the Republicans were recreant to their duty, were inconsiderate of the tobacco growers and the cigar manufacturers of the Connecticut Valley because they allowed 150,000,000 cigars to come in in competition with them. Naturally, we should expect, then, that in the Democratic bill this importation would be forbidden and no Philippine cigars admitted. But what do we, in fact, find? This Democratic bill proposes to allow not 150,000,000 but an unlimited number of Philippine cigars to come in in competition with American cigars. It opens wide the door. The Payne bill allowed a reasonable number of these Philippine cigars—150,000,000—to come in, but it was not willing to have the whole Philippine population become expert cigar makers and have their cheap labor come in universal competition with the American cigar makers. The cigar makers of my district earnestly oppose this Democratic proposition, and I move this amendment to reinstate the limitation of the Payne bill, and I hope it will be adopted.

Mr. BARTHOLDT. Will the gentleman yield for an interruption?

Mr. MOORE. I desire to ask the gentleman a question.

Mr. GILLETT. I have yielded the floor.

Mr. BRITTEN. Mr. Chairman, I hold in my hand a petition signed by 1,500 members of the Cigar Makers Union residing in Chicago, the object of the petition being to object to the free and unlimited importation of cigars from the Philippine Islands. The bill as drawn, which is now under consideration, allows 20 per cent of foreign material in the construction or the making of Philippine cigars which come into this country free of a tariff duty. In that particular regard it works a severe hardship against the manufacturers as well as the cigar makers themselves in this entire country.

Mr. BARTHOLDT. Will the gentleman yield for an interruption?

Mr. BRITTEN. I will.

Mr. BARTHOLDT. In the gentleman's judgment, is there anything in this provision which would prevent the American Tobacco Trust from going to the Philippine Islands and make there all the cigars the American market can carry, and thereby put the cigar makers of the United States out of business.

Mr. BRITTEN. There is not, I agree with the gentleman. Replying to the gentleman from Missouri, I would recall what happened and what is history in the annexation of the island of Porto Rico. The American Tobacco Co. now controls 80 per cent of the cigar manufacturing and the leaf-tobacco industry of the island, and they will do the same thing in the Philippine Islands after this bill becomes effective. The matter of erecting a cheap hut in which to house that common labor in the Philippine Islands is a paltry consideration, as a few thousand dollars will build a big barn, and with labor in the islands at 30 cents a day, as against our labor at from $2 to $6 a day, the only natural conclusion is that our industry will be wiped out of business in a few years if this particular paragraph of the section is not amended.

Mr. MAHER. Will the gentleman yield?

Mr. BRITTEN. I only have a few moments.

Mr. MAHER. Will the gentleman please tell me where there is a cigar maker earning $6 a day?

Mr. BRITTEN. Making high-class cigars in the city of Chicago. If you are interested in union labor you will agree that our labor gets more than 30 cents a day, and that is all that is paid in the Philippines. It places a hardship on our cigar manufacturers in that they pay a tariff on wrappers and fillers which enter into the construction of our cigars, and the Filipinos do not have to pay that tariff. Philippine manufacturers have sent 65,000,000 cigars into this country in the past eight months, and I am sure that 20,000,000 cigars a month will reach us from there before this year is ended. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. WILLIS. Mr. Chairman, that the gentleman from Illinois [Mr. BRITTEN] is correct in his argument that organized labor is opposed to this proposed legislation, and is vigorously protesting against it, is shown by the following communication from the Cigar Makers' International Union of America, which I submit for publication in the RECORD:

LEGISLATIVE COMMITTEE
CIGAR MAKERS' INTERNATIONAL UNION OF AMERICA,
Washington, D. C., May 3, 1913.

Hon. FRANK B. WILLIS,
House of Representatives, Washington, D. C.

DEAR SIR: We beg leave to submit a few facts why the importation of cigars free of duty from the Philippine Islands should be limited to

75,000,000 annually, and no more. Page 196 of the tariff bill provides for unlimited free trade with the product of Asiatic and Mongolian labor.

Yours, very respectfully, A. STRASSER,
Chairman.

MONGOLIAN AND ASIATIC COOLIES V. ORGANIZED LABOR IN THE UNITED STATES OF AMERICA.

One section of the tariff proposes absolute free trade in cigars imported from the Philippine Islands.

First annual report of the Department of Commerce and Labor, page 152, cigar makers' average daily wages in the provinces are, in pesos, 0.74, equal to 37 cents in United States currency.

Third annual report of the Bureau of Labor, page 15, states: Average wages per annum equal to $93.50 in United States currency, less than $2 a week.

The total number of workers employed was as follows:

Males	5,166
Females	5,143
Boys (under 16)	425
Girls (under 16)	566
Total	11,300

The average number of hours of work reported ranged from 10 to 12 hours per day.

In the United States and in the Philippines cigars are made by hand labor. All attempts to supplant it by machine production within the last 50 years have failed.

For eight months of the fiscal year we received from the Philippine Islands 65,000,000 cigars free of duty.

Unlimited free trade will enable the European and American tobacco trusts to locate factories in the islands and swamp us with the Asiatic product.

One-half of the cigar factories in Manila are owned by Chinese coolies. Is this a fair "competitive tariff"?

Mr. UNDERWOOD. Mr. Chairman, the change in this paragraph of the bill is largely striking out the limitation on the importation of sugar, filler and cigar tobacco and wrapper tobacco. Now, I do not know of any more selfish interest that has been presented in this Congress than that presented by the amendment that is now pending before this House.

When you consider that in all of this tariff bill nearly every man that has been concerned in business in the United States has had his duties reduced from the present law, except these tobacco manufacturers, and that they still have a differential, the difference between 35 cents a pound on filler tobacco and $1.85 on wrapper tobacco, that builds up their business in the United States, and which has not been affected by the work of this committee, because it was on a fair revenue basis and the committee left it alone, they should not come here contending that these dependent people of ours in the Philippine Islands, who, under our law, are compelled to give us free trade with the Philippine Islands, should be deprived of a reciprocal market in the United States. Now, that is what they are contending for, and yet their contention means nothing.

The present law allows the importations of one hundred and fifty million of cigars into the United States free of duty to-day. That law has been on the statute books for four years. The tobacco industry in the Philippine Islands is no new industry. It has existed for many years. It is already developed, and they have had four years under the existing law to bring in one hundred and fifty million of cigars, and the total imports for the last year amounted to 63,852,000.

Mr. BRITTEN. Is it not 73,000,000?

Mr. UNDERWOOD. It is 63,852,000. I have just had it added up by the Clerk at the desk.

Mr. MURRAY of Massachusetts. May I repeat the suggestion made to me on the statistics given by the gentleman from Alabama [Mr. UNDERWOOD] that, while the importations are as low as sixty-three million of cigars, it has been entirely unnecessary to raise the limit to one hundred and fifty million, and that because of the state of the present importations we may as well leave the limit where it is?

Mr. UNDERWOOD. We may leave the limit where it is, so far as this industry is concerned, but we would leave it where it is to the shame of every American citizen. [Applause on the Democratic side.] We could not honestly face these dependent people who give us free trade in their markets if we close our doors to the only imports that they might possibly send here.

Mr. MURRAY of Massachusetts. I am afraid I did not make myself clear. Certainly there is free trade to the limit of their present importations, which are sixty-three millions.

Mr. UNDERWOOD. Certainly.

Mr. MURRAY of Massachusetts. Then why raise the limit to one hundred and fifty millions until the extent of their trade justifies raising the limit of their importations?

Mr. UNDERWOOD. Because we do not want to stand and face the world in such a position as that and say that "under our law we command you to open the door, so that American goods can flow into your country," because we have the power to do it, and then turn around and say to them that on the only thing that they can import, practically, into our country and make a market for we will close our doors and prevent them developing their trade. I say that no true-born American citizen who faces this question fairly and squarely and understands the situation—which I do not believe the men who signed that petition did, because they were not informed of the facts—will consent to that.

Mr. BRITTEN. Will the gentleman yield for just a moment?

Mr. MADDEN. Will the gentleman yield?

Mr. UNDERWOOD. Just a moment. No man who understands the honor and integrity of his own country is going to attempt to make a one-sided contract of that kind with a dependent people. [Applause on the Democratic side.]

Mr. MADDEN. Mr. Chairman——

Mr. BRITTEN. Will the gentleman yield to a question, please?

Mr. UNDERWOOD. I can not. My time has expired.

Mr. MURRAY of Massachusetts. Mr. Chairman, I understand there were some three minutes of the time——

Mr. MANN. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. The time has already been overrun by the gentleman from Alabama four minutes.

Mr. MURRAY of Massachusetts. Mr. Chairman, a parliamentary inquiry.

Mr. UNDERWOOD. I did not intend to overrun the time.

Mr. MANN. I am not criticizing the gentleman.

Mr. MURRAY of Massachusetts. Was the division of time 10 minutes on one side and 5 on the other?

Mr. MANN. There was no division of time.

Mr. MURRAY of Massachusetts. I went to the Chair, and the Chair said that there was before the gentleman from Alabama spoke.

Mr. UNDERWOOD. When I asked unanimous consent I asked unanimous consent that that side have 10 minutes and that I might have 5 minutes.

Mr. MURRAY of Massachusetts. Are there 3 minutes remaining of that 10?

The CHAIRMAN. There are 3 minutes remaining.

Mr. MURRAY of Massachusetts. Mr. Chairman and gentlemen, it is an unfortunate thing to be put in the position of being characterized as un-American and to be criticized as favoring the adoption of a one-sided contract when one asserts the right to stand up for the interests of the people one tries to represent in this Chamber. I do not care to be un-American, and I do not insist upon a one-sided contract, as the gentleman from Alabama [Mr. UNDERWOOD] seems to think when he says that the attitude I take is un-American and one-sided on a matter so highly important to me and the people whom I have the honor to represent.

At the present time the importations of cigars from the Philippine Islands are about 63,000,000. That was the importation in 1912. It is proposed now to raise the limit of 150,000,000 cigars. The importations of 1912 were 90,000,000 below the limit. It was pointed out that that was only a reasonable limit, and it was pointed out that if the present limit is raised and no limit fixed as to the amount of importations, a reasonable fear exists that the Tobacco Trust of the country will go to the Philippine Islands and establish their factories there and then flood the American market with such products and in such quantities as that the tobacco and cigar makers—the men engaged in that industry in this country—may be put out of business. [Applause on the Republican side.]

Now, the gentleman from Alabama [Mr. UNDERWOOD] looks at this question from one point of view. Surely, with his reputation for fairness and his absolute desire to be fair, he is not going to charge some of the rest of us with being unreasonable and un-American when we merely take the figures that he submits as correct and consider them from a different point of view and draw from them conclusions different from those which he draws. Our point of view is that because the limit has not yet been reached of 150,000,00 by nearly 90,000,000 of importations, it is a good situation to leave as it is, but that when the time comes that that limit has been reached, when the people of the Philippine Islands may make a reasonable complaint that the trade is being hampered from their islands, it will be time enough to consider the proposition of removing that limitation of 150,000,000 cigars.

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

Mr. MURRAY of Massachusetts. I can not yield. This is the first occasion that I have had to differ with the gentleman from Alabama and his colleagues on the Committee on Ways and Means. But it is entirely because the limit has not been reached by almost 90,000,000—more than half as much again as the total amount of importations last year. In this instance I shall vote in favor of the amendment suggested by my col-

league from Massachusetts [Mr. GILLETT]. [Applause on the Republican side.]

The CHAIRMAN (Mr. HELM). The time of the gentleman from Massachusetts has expired. All time has expired. The question is on agreeing to the amendment offered by the gentleman from Massachusetts [Mr. GILLETT].

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

Mr. MANN. Mr. Chairman, I ask for a division.

The committee divided; and there were—ayes 53, noes 75.

Mr. MANN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. UNDERWOOD and Mr. GILLETT.

The committee again divided; and the tellers reported—ayes 103, noes 177.

So the amendment was rejected.

Mr. MOORE. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORE] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Section 4, paragraph C, page 196, strike out all after the word "Provided," in lines 3 to 11, inclusive, and substitute the following: "That, except as otherwise hereinafter provided, all articles the growth or product of or manufactured in the Philippine Islands from materials the growth or product of the Philippine Islands or of the United States, or of both, which do not contain foreign materials of the value of more than 20 per cent of their total value, upon which no drawback of customs duties has been allowed therein, coming into the United States from the Philippine Islands, shall hereafter be admitted free of duty, except, in any fiscal year, wrapper tobacco and filler tobacco when mixed or packed with more than 15 per cent of wrapper tobacco in excess of 300,000 pounds, filler tobacco in excess of 1,000,000 pounds, and cigars in excess of 150,000,000 cigars, which quantities shall be ascertained by the Secretary of the Treasury under such rules and regulations as he shall prescribe."

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this amendment be limited to 7 minutes.

Mr. MOORE. Mr. Chairman, I would like to have 5 minutes for the gentleman from Massachusetts [Mr. TREADWAY].

Mr. UNDERWOOD. Mr. Chairman, I will ask unanimous consent, then, that all debate on this amendment be limited to 13 minutes; 10 minutes to be controlled by the gentlemeu on that side, while I reserve but 3 minutes.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that all debate on this amendment be limited to 13 minutes; 10 minutes to be controlled by the minority and 3 minutes by the gentleman from Alabama. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. MOORE. Mr. Chairman, this is the Philippine tobacco situation in another form. It was contended by some gentlemen upon the other side—I think by the gentleman from Alabama [Mr. UNDERWOOD]—with regard to the amendment offered by the gentleman from Massachusetts [Mr. GILLETT] that it was a manufacturers' proposition. I contend that it is a cigar-makers' proposition. The amendment that I now propose is both a cigar-makers' proposition and a farmers' proposition.

We are not attempting now to legislate upon cigars alone, but also upon wrapper and filler tobacco. We get back to the soil itself.

The gentleman from Massachusetts [Mr. GILLETT] was good enough to say that in the Connecticut Valley they raised the best tobacco in the world. I am prepared to say that in Lancaster County, Pa., ably represented here by my colleague [Mr. GRIEST], they raise more good tobacco than in any other county in the United States, the aggregate being about 40,000,000 pounds a year.

Our friends from Kentucky and Virginia are interested in wrapper and filler tobacco, along with those in the Connecticut Valley and in Pennsylvania, and I call their attention to the fact that we are endeavoring by this amendment to retain the provisions of the existing Payne law and to give that protection to the producer of tobacco which is given to the cigar maker as against Philippine importations.

I am not speaking for manufacturers in this instance. I have been requested to speak for the Cigar Makers' International Union of America, which has a membership approximating 50,000 journeymen.

In compliance with the instructions of their international convention, these men appealed to the Ways and Means Committee, and they now appeal to you, not to permit this free infusion of Philippine tobacco nor to permit an increase in the quantity of tobacco manufactured in the Philippines at the expense of the cigar makers of the United States. They say that the bill not only permits cigars manufactured in the Philippine Islands to come in duty free, but it permits such cigars to contain 20 per cent of foreign material. This means that a manufacturer in the Philippine Islands can put into cigars a combination of American tobacco, Philippine tobacco, and 20 per cent of Havana tobacco, which would give the Philippine cigar manufacturer an unfair and undue advantage over the American manufacturer and be a consequent detriment to American workmen and women.

Mr. Chairman, the wages paid to the men who make cigars in the Philippine Islands is about one-quarter the wages paid to the men who are engaged in that industry in the United States. Some of you have been to Porto Rico, perhaps, and have observed who controls the tobacco fields there and who controls the manufacture of tobacco. You have found out in Habana who controls the product there; and by opening up trade free to the Philippine Islands, it is fair to assume that you are going to allow American trust capital to engage cheap Philippine labor to put American workingmen out of business.

This appeal to you is on behalf of the men who have votes, who are a part of 160,000 men engaged in this industry in one form or another in the United States. It is not a sectional question. It pertains to Kentucky as it does to Connecticut, and it pertains to Massachusetts as it does to Pennsylvania. The man who deals in tobacco in the city of Richmond is just as much concerned in this proposition as is any other man in this country. It is a question whether you propose to turn over to trust control in the Philippines the manufacture of cigars for the United States, or whether you propose to continue to employ men in that business in this country, making cigars for American smokers on their own behalf. [Applause.]

I include as a part of my remarks the following correspondence on this subject:

HOUSE OF REPRESENTATIVES UNITED STATES,
Washington, D. C., May 6, 1913.

Hon. J. HAMPTON MOORE,
House of Representatives.

DEAR MR. MOORE: You being a member of the Ways and Means Committee, I invite your attention to the importance of so amending the pending tariff bill as to retain the provisions of the present law limiting the free importation of tobacco and cigars from the Philippine Islands by striking out the unlimited free-trade provisions now incorporated in the bill. The amendment which I suggest is as follows:

"That, except as otherwise hereinafter provided, all articles, the growth or product of or manufactured in the Philippine Islands from materials, the growth or product of the Philippine Islands or of the United States, or of both, which do not contain foreign materials of the value of more than 20 per cent of their total value, upon which no drawback of customs duties has been allowed therein, coming into the United States from the Philippine Islands shall hereafter be admitted free of duty, except, in any fiscal year, wrapper tobacco and filler tobacco when mixed or packed with more than 15 per cent of wrapper tobacco in excess of 300,000 pounds, filler tobacco in excess of 1,000,000 pounds, and cigars in excess of 150,000,000 cigars, which quantities shall be ascertained by the Secretary of the Treasury under such rules and regulations as he shall prescribe."

In asking your consideration for this amendment and urging its adoption by the House, I do so not only for my own county in Pennsylvania, which produces out of the soil more tobacco than any other county on earth, but I urge its consideration also in behalf of the farmers, dealers in, and manufacturers of cigar-leaf tobacco elsewhere in Pennsylvania and in many other States; and, more numerously than all of these, the adoption of this amendment is urged in behalf of the 136,000 makers of cigars in this country, the wageworkers who produce by hand $350,000,000 of manufactured output annually and who are showering upon Congress from many sections, as the pages of the RECORD attest, justifiable protests against legislation which, if enacted, will accomplish naught but injury to farmers and independent dealers and manufacturers, as well as the degradation of our workmen by putting them on a competitive basis with skilled labor of the Orient, whose average yearly wage is not in excess of $96.

In my judgment, this provision for free trade in cigars and tobacco with the Philippines contemplates an ill-advised and, in view of the Democratic Party's platform pledge for the independence of these islands, an almost inexplicable and certainly a wholly unjustifiable procedure which should be averted by the adoption of the amendment proposed.

Yours, very truly, W. W. GRIEST.

CIGAR MAKERS' INTERNATIONAL UNION OF AMERICA,
Chicago, Ill., April 22, 1913.

Hon. J. HAMPTON MOORE,
House of Representatives.

DEAR SIR: We inclose herewith a brief in protest against the free importation of cigars from the Philippine Islands, and in behalf of our 48,457 members we respectfully ask you to give it your thoughtful and favorable consideration.

Very respectfully,
G. W. PERKINS,
International President.

A PROTEST AGAINST UNLIMITED FREE TRADE WITH THE PHILIPPINE ISLANDS.

At a convention of the Cigar Makers' International Union held in September, 1912, a resolution was unanimously adopted by the 400 delegates protesting against the importation of cigars duty free from the Philippine Islands and instructing the president to protest to the proper Federal authorities and to the Congress of the United States against such free importation of cigars duty free from the Philippine Islands, which resolution went to popular vote under the referendum and was practically unanimously adopted. Out of a possible 48,457 votes only 186 votes were cast against the resolution.

In compliance with such instructions and in behalf of the Cigar Makers' International Union we earnestly protest against the proposition of the Committee on Ways and Means which provides for absolute free trade in cigars with the Philippine Islands, for the following reasons: The bill not only permits cigars manufactured in the Philippine Islands to come in duty free, but it permits such cigars to contain 20 per cent foreign material. This means that a manufacturer in the

Philippine Islands can put in the cigars a combination of American tobacco, Philippine tobacco, and 20 per cent of Habana tobacco, and would give the Philippine cigar manufacturers an unfair and undue advantage over the American manufacturers and be a consequent detriment to American working men and women.

The importation of cigars from the Philippine Islands under the present law has steadily increased. We hold that if Congress gives the Philippine cigars free access, without restraint or limit, to the markets of this country that the American Tobacco Co., which despite the alleged dissolution acts is just as effective as it ever was, would immediately establish large factories in the Philippine Islands and continue the manufacture of cigars there on a scale that would seriously interfere with the industry in this country proper. This is not an idle statement. When Porto Rico was annexed and given free access to the markets of this country the trust immediately proceeded to obtain control not only of the cigar industry but also of the leaf or raw material of Porto Rico, so that to-day they practically control at the very least 80 per cent of the cigar industry of that island. In one year 1,250 cigar factories have gone out of business and thousands of American cigar makers have suffered in employment in this country. The trust, with its exceedingly large capital, will do precisely the same thing in so far as the Philippine Islands are concerned if this bill passes and an opportunity is thus given them to do so.

The proposition of the Committee on Ways and Means we unhesitatingly say is favorable to the trust and strengthens its hand and assists it to more quickly stamp out competition of the independents and to establish an absolute monopoly in the cigar and tobacco industry, though probably not so intended. The Tobacco Trust controls fully 85 per cent of the smoking and chewing tobacco, snuff, cigarettes, and little cigars in this country. It controls 80 per cent, if not more, of the cigar industry of Porto Rico, and it controls fully if not more than 75 per cent of the imported cigars coming from Cuba.

We earnestly protest against giving them an opportunity to further strengthen their strangle hold upon the independents by giving them the Philippine Islands, which they will exploit for the benefit of the trust and to the detriment of independent manufacturers, of working men and women, of the Federal Government, and of society at large.

The notion that American workingmen can compete with oriental, the cheapest labor in the world, of the Philippine Islands is absurd and preposterous and absolutely out of the question. The wage paid for making cigars in the Philippine Islands is less than one-fourth of the wages received by cigar makers in the United States. In the third annual report of the bureau of labor of the Philippine Islands, page 15, issued 1912, it officially states that wages of 11,300 cigar makers in the Philippine Islands in 53 factories were 193 pesos annually, or about $96.50 American money, or 30 cents per day, while the average wages of the cigar makers in this country are at least $1.50 a day, which includes the unorganized as well as the organized. I estimate that the average wages of the union cigar makers is at least $2 per day, and, as a matter of fact, that is pretty nearly the minimum wage, and it ranges from that sum to as high as $5 per day.

The question of transportation should not be lost sight of. A thousand cigars can be shipped from the Atlantic coast to Chicago for about 10 cents and from coast to coast for about 18 cents or 20 cents. A thousand cigars, the wholesale price of which would be $100, weigh about 27 pounds. The question of transportation, then, is not a factor, as because of the lightness of the commodity it can be transported at a negligible cost. There are thousands of Chinese, Japs, who, with the Filipinos, are very apt learners, especially in the cigar industry, as they prefer factory to field work, and the cigar-producing capacity of the islands can be recruited and brought up to any number in a very short time; and this we assert without fear of successful contradiction will surely occur if you give them free access to this country. It is claimed that one-third of the population of Manila is Chinese. If the product of this oriental cheap labor comes into this country, the result would be ruinous to the industry here and would in a measure impair and partly nullify the Chinese-exclusion act. The cigar industry in this country pays the Federal Government in internal taxes alone about $22,000,000 annually, and when we include the tobacco trade, which includes cigars, cigarettes, snuff, and manufactured tobacco, it contributed for the fiscal year ending June 30, 1912, $70,500,000. There are employed at cigar making, not counting those engaged in making smoking and chewing tobacco, etc., about 136,000 people, of whom about 110,000 are skilled workers and wage earners, who are directly and indirectly taxpayers and contributors to the maintenance of our Government, while, on the other hand, the Filipinos do not contribute a cent to the maintenance of our institutions. The aggregate wages paid to cigar makers is $50,000,000 annually. The wholesale value of the output of cigars is about $350,000,000 annually. It ranks about the twelfth in the value of its output among the great industries of our country. The cigar and tobacco industry has always been taxed through customs duties and internal-revenue tax. It, as a consequence, is extremely sensitive to hostile legislation. During the last fiscal year over 1,250 small cigar manufacturers have been forced out of business. The union cigar maker receives from $7 to $12 per thousand for making the 5-cent cigar and from $12 to $18 per thousand for making the 10-cent cigar and from $18 to $50 per thousand for making the clear Habana cigar or the two-for-a-quarter and more expensive kind.

Under the present law, which limits the importation of cigars from the Philippine Islands, duty free to 150,000,000 annually, the importation jumped from 22,000,000 in 1911 to 72,800,000 cigars in 1912.

From information received from the Insular Bureau of the War Department we find for the first eight months of this fiscal year 65,000,000 cigars were sent here from the Philippine Islands.

Under the economic conditions prevailing here the allowance of 150,000,000 duty free per annum is more than fair to the Filipinos. Given an unrestricted free market in this country and the Cigar and Tobacco Trust will be enabled to increase the amount produced there and sent here and disposed of through its chain of stores to an extent that will be disastrous to American manufacturers and American working men and women. Owing to climate and the bounties of nature the Filipino lives very cheaply. Clothing is of the cheapest kind; he has no expensive rent to pay, no fuel to purchase, while he has self-sustaining food growing in abundance. We, on the other hand, must buy food and fuel, pay high rent, buy more expensive clothing, and, with the always increasing cost of living, we find the effort to sustain home, family, and life always equal to our income. We earnestly protest against being pitted against oriental labor—the cheapest labor in the world—in our struggle for existence. We protest against the proposed changes in extending the amount of free importation of cigars from the Philippine Islands.

Yours, respectfully,

G. W. PERKINS,
International President.

MONGOLIAN AND ASIATIC COOLIES V. ORGANIZED LABOR IN THE UNITED STATES OF AMERICA.

One section of the tariff proposes absolute free trade in cigars imported from the Philippine Islands.

First annual report of the Department of Commerce and Labor, page 152: Cigar makers' average daily wages in the Provinces are, in pesos, 0.74—equal to 37 cents in United States currency.

Province.	Pesos.	Cents.
Occidental Negros	0.17	8½
Cebu	.78	39
Cayagan	1.47	73½

Third annual report of the Bureau of Labor, page 15, states: Fifty-three cigar and cigarette factories paid in wages ₱2,183,049; average wages per annum, ₱193; equal to $93.50 in United States currency—less than $2 a week.

The total number of workers employed was as follows:

Males	5,166
Females	5,143
Boys (under 16)	425
Girls (under 16)	566
Total	11,300

The average number of hours of work reported ranged from 10 to 12 hours per day.

In the United States and in the Philippines cigars are made by hand labor. All attempts to supplant it by machine production within the last 50 years have failed.

For eight months of the fiscal year we received from the Philippine Islands 65,000,000 cigars free of duty.

Unlimited free trade will enable the European and American Tobacco Trusts to located factories in the islands and swamp us with the Asiatic product.

One-half of the cigar factories in Manila are owned by Chinese coolies. Is this a fair "competitive tariff"?

Mr. TREADWAY. Mr. Chairman, I desire to corroborate the statement made on behalf of the tobacco growers of the Connecticut Valley by my colleague from Massachusetts [Mr. GILLETT]. We appreciate the kind of tobacco grown there and likewise the kind of men employed in manufacturing and raising the tobacco. And further than that I wish to congratulate my Democratic colleague from Massachusetts that he has had the courage of his convictions rather than being compelled to vote against those convictions by the Democratic caucus rule. [Applause on the Republican side.] I have known the gentleman from Boston, my colleague [Mr. MURRAY], for many years. I know his ability, his qualities, and his good party discipline, but certainly he has shown wise judgment at this time in speaking for the side which he knows to be right. Now, in behalf of Local Union 206, of the Cigar Makers' International Union of America, of North Adams, and Local Union No. 28, of the Cigar Makers' International Union, of Westfield, Mass., I want to send two letters to the desk to be read.

The Clerk read as follows:

NORTH ADAMS, MASS., *April 26, 1913.*

Hon. ALLEN T. TREADWAY.

DEAR SIR: We are informed that a clause in the proposed tariff bill now before Congress would admit all Philippine Islands manufactured cigars into the United States free of duty; and we, the cigar makers of Union 206, of North Adams and the whole of Berkshire County, desire to file our protest against the proposed clause, and urge you, as our Representative, to vote against it for the following reasons:

That it would give employment to the Chinese and Japanese cigar makers of Manila (for these races outnumber the Filipino) and would throw American cigar makers out of employment.

We have positive proof that such would be the result, as when, under a former administration, 150,000,000 cigars a year were to be admitted, and were admitted, it put 5,000 American cigar makers, packers, and strippers out of employment.

But "it helped the Filipino," Mr. Taft would say; and a Democratic Congress would help them still more, to the injury of the American.

Again, Mr. TREADWAY, we do not believe in building up the trade of the German, Chinese, and Japanese manufacturers to the detriment of the American manufacturers. For it is a known fact that 95 per cent of the capital invested in the tobacco and cigar industry of the Philippines is controlled by Germans, Japanese, and Chinese.

It may seem all right to an unthinking or deluded economist, but is the reverse with us who will have to suffer under the conditions that may be brought about. For I tell you, Mr. Congressman, that the well-paid American workman can not compete with the underpaid Asiatics. We can not elevate them to our standard, but they will drag us down to theirs. And the avarice of some Americans for cheap help has brought about a condition in California that smells of war.

And now, Mr. TREADWAY, we again ask you to vote against and do all in your power to defeat the proposed clause which helps at best only a few aliens as against thousands of American and their families.

Respectfully, yours,

E. R. STEIN,
Fin. Sec. Union No. 206, North Adams, Mass.

WESTFIELD, MASS., *April 29, 1913.*

Hon. ALLEN T. TREADWAY,
House of Representatives, Washington, D. C.

DEAR SIR: The members of Cigarmakers' Union No. 28 earnestly protest against the proposition of the Committee on Ways and Means which provides for absolute free trade in cigars with the Philippine Islands, for the following reasons:

The bill not only permits cigars manufactured in the Philippine Islands to come in duty free but it permits such cigars to contain

20 per cent foreign material. This means that a manufacturer in the Philippine Islands can put in the cigars a combination of American tobacco, Philippine tobacco, and 20 per cent of Habana tobacco, and would give the Philippine cigar manufacturers an unfair and undue advantage over the American manufacturers and be a consequent detriment to American working men and women.

The importation of cigars from the Philippine Islands under the present law has steadily increased. We hold that if Congress gives the Philippine cigars free access without restraint or limit to the markets of this country the American Tobacco Co., which, despite the alleged dissolution acts, is just as effective as it ever was, would immediately establish large factories in the Philippine Islands and continue the manufacture of cigars there on a scale that would seriously interfere with the industry in this country proper. This is not an idle statement. When Porto Rico was annexed and given free access to the markets of this country, the trust immediately proceeded to obtain control not only of the cigar industry but also of the leaf or raw material of Porto Rico, so that to-day they practically control at the very least 80 per cent of the cigar industry of that island. In one year 1,250 cigar factories have gone out of business and thousands of American cigar makers have suffered in employment in this country. The trust, with its exceedingly large capital, will do precisely the same thing, in so far as the Philippine Islands are concerned, if this bill passes and an opportunity is thus given them to do so.

The proposition of the Committee on Ways and Means, we unhesitatingly say, is favorable to the trust and strengthens its hand and assists it to more quickly stamp out competition of the independents and to establish an absolute monopoly in the cigar and tobacco industry, though probably not so intended. The Tobacco Trust controls fully 85 per cent of the smoking and chewing tobacco, snuff, cigarettes, and little cigars in this country. It controls 80 per cent, if not more, of the cigar industry of Porto Rico, and it controls fully if not more than 75 per cent of the imported cigars coming from Cuba.

We earnestly protest against giving them an opportunity to further strengthen their strangle hold upon the independents by giving them the Philippine Islands, which they will exploit for the benefit of the trust, and to the detriment of independent manufacturers, of working men and women, of the Federal Government, and of society at large.

The notion that American workingmen can compete with oriental labor—the cheapest labor in the world—of the Philippine Islands is absurd and preposterous and absolutely out of the question. The wage paid for making cigars in the Philippine Islands is less than one-fourth of the wages received by cigar makers in the United States. In the third annual report of the bureau of labor of the Philippine Islands, page 15, issued 1912, it officially states that wages of 11,300 cigar makers in the Philippine Islands, in 53 factories, were 193 pesos annually, or about $96.50 American money, or 30 cents per day, while the average wages of the cigar makers in this country are at least $1.50 a day, which includes the unorganized as well as the organized. I estimate that the average wages of the union cigar makers is at least $2 per day, and, as a matter of fact, that is pretty nearly the minimum wage, and it ranges from that sum to as high as $5 per day.

The question of transportation should not be lost sight of. A thousand cigars can be shipped from the Atlantic coast to Chicago for about 10 cents and from coast to coast for about 18 or 20 cents. A thousand cigars, the wholesale price of which would be $100, weigh about 27 pounds. The question of transportation, then, is not a factor, as because of the lightness of the commodity it can be transported at a negligible cost. There are thousands of Chinese and Japs who, with the Filipinos, are very apt learners, especially in the cigar industry, as they prefer factory to field work, and the cigar-producing capacity of the islands can be recruited and brought up to any number in a very short time; and this we assert, without fear of successful contradiction, will surely occur if you give them free access to this country. It is claimed that one-third of the population of Manila is Chinese. If the product of this oriental cheap labor comes into this country, the result will be ruinous to the industry here and would in a measure impair and partly nullify the Chinese-exclusion act. The cigar industry in this country pays the Federal Government in internal taxes alone about $22,000,000 annually; and when we include the tobacco trade, which includes cigars, cigarettes, snuff, and manufactured tobacco, it contributed for the fiscal year ending June 30, 1912, $70,500,000.

There are employed at cigar making, not counting those engaged in making smoking and chewing tobacco, etc., about 136,000 people, of whom about 110,000 are skilled workers and wage earners who are directly and indirectly taxpayers and contributors to the maintenance of our Government, while, on the other hand, the Filipinos do not contribute a cent to the maintenance of our institutions. The aggregate wages paid to cigar makers is $50,000,000 annually.

The wholesale value of the output of cigars is about $350,000,000 annually. It ranks about the twelfth in the value of its output among the great industries of our country. The cigar and tobacco industry has always been taxed through customs duties and internal-revenue tax. It, as a consequence, is extremely sensitive to hostile legislation. During the last fiscal year over 1,250 small cigar manufacturers have been forced out of business. The union cigar maker receives from $7 to $12 per thousand for making the 5-cent cigar, and from $12 to $18 per thousand for making the 10-cent cigar, and from $18 to $50 per thousand for making the clear Habana cigars, or the two-for-a-quarter and more expensive kind.

Under the present law, which limits the importation of cigars from the Philippine Islands duty free to 150,000,000 annually, the importation jumped from 22,900,000 in 1911 to 72,800,000 in 1912. From information received from the Insular Bureau of the War Department we find for the first eight months of this fiscal year 65,000,000 cigars were sent here from the Philippine Islands.

Under the economic conditions prevailing here the allowance of 150,000,000 duty free per annum is more than fair to the Filipinos. Given an unrestricted free market in this country and the Cigar and Tobacco Trust will be enabled to increase the amount produced there and sent here and disposed of through its chain of stores to an extent that will be disastrous to American manufacturers and to American working men and women. Owing to climate and the bounties of nature, the Filipino lives very cheaply. Clothing is of the cheapest kind; he has no expensive rent to pay, no fuel to purchase, while he has self-sustaining food growing in abundance. We, on the other hand, must buy food, fuel, pay high rent, buy more expensive clothing, and with the always increasing cost of living we find the effort to sustain home, family, and life always equal to our income.

We earnestly protest against being pitted against oriental labor—the cheapest labor in the world—in our struggle for existence. We protest against the proposed changes in extending the amount of free importation of cigars from the Philippine Islands.

Yours, respectfully,

CIGAR MAKERS' UNION, No 28, OF WESTFIELD,
S. J. T. WALL, *Secretary*.

Mr. KEATING. Mr. Chairman, I am a member of organized labor, and I would be the last to cast a vote which would injure members of organized labor. I do not believe the provision we are discussing will injure members of organized labor. In reply to the letters I have received from members of the cigar makers' union I have so stated, and I have given as my reason the fact that under four years of Republican rule, when 150,000,000 cigars might have been imported into this country, the maximum amount in any year was 63,000,000. I feel that answer is conclusive—that conditions are such that labor need not be apprehensive. I have felt, as I have stated to my fellow associates in these unions, that they were being stirred up not by friends, not by the men who have the cause of organized labor at heart, but by the men who have been on the floor in this House for years protecting the great trusts of this country [applause on the Democratic side] and who are now anxious to hide themselves behind the overalls of the workingman. [Laughter and applause on the Democratic side.]

I want to ask the gentleman from Massachusetts [Mr. TREADWAY] if he indorses the statement contained in the letter which he had read from the desk that Republican legislation, the Payne bill, which permitted 150,000,000 cigars to be imported into this country, resulted in putting 5,000 cigar makers out of employment? I will give the gentleman time if he will answer the question. In the document which the gentleman had read from the desk it is stated that this law had put 5,000 men out of employment. Is the gentleman prepared to support that statement?

Mr. TREADWAY. I would ask to have the clause read, that the adoption of the new bill would put cigar makers out of employment. Let me ask, in return, if importations of cigars from the Philippines have not increased?

Mr. KEATING. I have asked the gentleman a question. The letter that he had read stated that the Republican legislation had put 5,000 men out of employment. I ask him if he indorses that statement; yes or no?

Mr. TREADWAY. I would like to ask the gentleman——

Mr. KEATING. Yes or no.

Mr. TREADWAY. I think I shall answer in my own way.

Mr. MANN. The gentleman from Colorado can not demand that a man shall answer a question as he dictates.

Mr. KEATING. Yes or no.

Mr. MANN. The gentleman can not say how a man shall answer a question.

Mr. SHACKLEFORD. Mr. Chairman, I make the point of order that the gentleman from Illinois has not been recognized.

Mr. KEATING. I have asked the gentleman from Massachusetts to answer a question, and I will only yield to him.

Mr. MANN. And the gentleman from Massachusetts answered and asked to have the clause read.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. GARDNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARDNER. Can the gentleman from Colorado yield the floor for an answer, and then dictate how that answer shall be given?

Mr. FOSTER. The regular order, Mr. Chairman.

Mr. GARDNER. Is not a parliamentary inquiry the regular order, I ask the gentleman from Illinois?

The CHAIRMAN. The Chair is with the gentleman from Masaschusetts in his parliamentary inquiry, and he will state it.

Mr. GARDNER. I was trying to when the gentleman from Illinois interrupted. My inquiry is if it is permissible under the rules of the House for a gentleman to yield the floor for an answer to an inquiry, and then dictate any particular way in which that answer shall be given?

The CHAIRMAN. That is too complex a question for the Chair to settle. [Laughter.] The Chair does not mean to treat the inquiry lightly, but, of course, the gentleman from Massachusetts knows the rule that a gentleman can yield the floor.

Mr. GARDNER. Mr. Chairman, the Chair is perfectly aware that the gentleman from Massachusetts [Mr. TREADWAY] was not aware of the rule, and that there was a deliberate attempt——

Mr. SHACKLEFORD. Mr. Chairman, a parliamentary inquiry. What is before the House?

Mr. FOSTER. Mr. Chairman, I call for the regular order.

Mr. GARDNER. I ask what is the regular order but a reply to a parliamentary inquiry.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

Mr. GARDNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARDNER. Is not the regular order a reply to the parliamentary inquiry?

Mr. FOSTER. The Chair has already settled that.

Mr. GARDNER. Mr. Chairman, I raise the question of order that the gentleman from Illinois is not in order when he interrupts the Chair while the Chair is replying to a parliamentary inquiry.

Mr. FOSTER. Mr. Chairman, I raise the point of order that the gentleman has already had his inquiry answered from the Chair.

The CHAIRMAN. Let us all get into good humor now and vote on this amendment. [Laughter.] The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken; and on a division (demanded by Mr. MOORE) there were—ayes 91 noes 153.

So the amendment was rejected.

Mr. FORDNEY. Mr. Chairman, I offer the following amendment which I send to the Clerk's desk, and, if I may be permitted, I ask unanimous consent to omit the reading of the amendment at this time, but that it be printed. I am offering the Philippine provision in the present Payne tariff law.

The CHAIRMAN. The gentleman from Michigan offers an amendment and asks unanimous consent that it be printed, but not read. Is there objection?

There was no objection.

The amendment is as follows:

That there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That, except as otherwise hereinafter provided, all articles, the growth or product of or manufactured in the Philippine Islands from materials the growth or product of the Philippine Islands or of the United States, or of both, or which do not contain foreign materials to the value of more than 20 per cent of their total value, upon which no drawback of customs duties has been allowed therein, coming into the United States from the Philippine Islands shall hereafter be admitted free of duty, except rice, and except, in any fiscal year, sugar in excess of 300,000 gross tons, wrapper tobacco and filler tobacco when mixed or packed with more than 15 per cent of wrapper tobacco in excess of 300,000 pounds, filler tobacco in excess of 1,000,000 pounds, and cigars in excess of 150,000,000 cigars, which quantities shall be ascertained by the Secretary of the Treasury under such rules and regulations as he shall prescribe: *And provided further*, That sugar, refined or unrefined, and tobacco, manufactured or unmanufactured, imported into the Philippine Islands from foreign countries, shall be dutiable at rates of import duty therein not less than the rates of import duty imposed upon sugar and tobacco in like forms when imported into the United States: *And provided further*, That, under rules and regulations to be prescribed by the Secretary of the Treasury, preference in the right of free entry of sugar to be imported into the United States from the Philippine Islands, as provided herein, shall be given, first, to the producers of less than 500 gross tons in any fiscal year, then to producers of the lowest output in excess of 500 gross tons in any fiscal year: *Provided, however*, That in consideration of the exemptions aforesaid, all articles, the growth, product, or manufacture of the United States, upon which no drawback of customs duties has been allowed therein, shall be admitted to the Philippine Islands from the United States free of duty: *And provided further*, That the free admission, herein provided, of such articles, the growth, product, or manufacture of the United States, into the Philippine Islands, or of the growth, product, or manufacture, as hereinbefore defined, of the Philippine Islands into the United States, shall be conditioned upon the direct shipment thereof from the country of origin to the country of destination: *Provided*, That direct shipment shall include shipments in bond through foreign territory contiguous to the United States: *Provided, however*, That if such articles become unpacked while en route by accident, wreck, or other casualty, or so damaged as to necessitate their repacking, the same shall be admitted free of duty upon satisfactory proof that the unpacking occurred through accident or necessity and that the merchandise involved is the identical merchandise originally shipped from the United States or the Philippine Islands, as the case may be, and that its condition has not been changed except for such damage as may have been sustained: *And provided further*, That all articles, the growth, product, or manufacture, as hereinbefore defined, of the Philippine Islands, admitted into the ports of the United States free of duty under the provisions of this section and shipped as hereinbefore provided from said islands to the United States for use and consumption therein, shall be hereafter exempt from the payment of any export duties imposed in the Philippine Islands: *And provided further*, That there shall be levied, collected, and paid, in the United States, upon articles, goods, wares, or merchandise coming into the United States from the Philippine Islands, a tax equal to the internal-revenue tax imposed in the United States upon the like articles, goods, wares, or merchandise of domestic manufacture; such tax to be paid by internal-revenue stamp or stamps, to be provided by the Commissioner of Internal Revenue, and to be affixed in such manner and under such regulations as he, with the approval of the Secretary of the Treasury, shall prescribe; and such articles, goods, wares, or merchandise, shipped from said islands to the United States shall be exempt from the payment of any tax imposed by the internal-revenue laws of the Philippine Islands: *And provided further*, That there shall be levied, collected, and paid in the Philippine Islands, upon articles, goods, wares, or merchandise going into the Philippine Islands from the United States, a tax equal to the internal-revenue tax imposed in the Philippine Islands upon the like articles, goods, wares, or merchandise of Philippine Islands manufacture; such tax to be paid by internal-revenue stamps or otherwise, as provided by the laws in the Philippine Islands, and such articles, goods, wares, or merchandise going into the Philippine Islands from the United States shall be exempt from the payment of any tax imposed by the internal-revenue laws of the United States: *And provided further*, That in addition to the customs taxes imposed in the Philippine Islands there shall be levied, collected, and paid therein upon articles, goods, wares, or merchandise, imported into the Philippine Islands from countries other than the United States, the internal-revenue tax imposed by the Philippine Government on like articles manufactured and consumed in the Philippine Islands or shipped thereto, for consumption therein, from the United States: *And provided further*, That from and after the passage of this act all internal revenues collected in or for account of the Philippine Islands shall accrue intact to the General Government thereof and be paid into the insular treasury, and shall only be allotted and paid out therefrom in accordance with future acts of the Philippine Legislature, subject, however, to section 7 of the act of Congress approved July 1, 1902, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes": *And provided further*, That until action by the Philippine Legislature, approved by Congress, internal revenues paid into the insular treasury, as hereinbefore provided, shall be allotted and paid out by the Philippine Commission.

Mr. FORDNEY. Mr. Chairman, I want just a minute to explain what the amendment is. I offer it for this reason: The Underwood bill repeals the limitations on the importations of sugar from the Philippine Islands. It repeals the limitations on the cigar and tobacco importations from the Philippine Islands. It increases the amount of foreign material that may be used in the manufacture of goods in the Philippine Islands for exports to the United States from 20 per cent of foreign material to 50 per cent of foreign material, except on tobacco. Those three provisions in the bill are all of very great importance, in my opinion, and for that reason should not be enacted into law. I have offered section 5 of the Payne tariff law, which solely relates to the Philippine Islands, their imports into the United States, and the exports of the United States goods going into the Philippine Islands.

Mr. DONOVAN. Mr. Chairman, a statement was made by the gentleman from Massachusetts [Mr. GILLETT] a few moments ago that a Democratic candidate for Congress in the Connecticut Valley had criticized the attitude of some Republican Member of Congress upon the Philippine question. I live in Connecticut, but not in the valley, and I think he meant myself; and, if he did mean me, I know that he will not rise in his seat and state that when I did criticize the Member of Congress from Connecticut I did not state the truth. I did state that the Member of Congress did vote to admit 150,000,000 cigars from the Philippine Islands free, and my reason for making that statement was this: He had been a high priest of protection, and he had declared under no circumstances would he bring about such a condition as to have American labor come in competition with the coolies and rice eaters of Asia. That was what I had claimed, and I offered to withdraw from the campaign, from the canvass, to retire as a candidate if a single word stated was untrue. Until the present time that has not been questioned. The dual personality of the gentleman, the Dr. Jekyll and Mr. Hyde character of the candidate caused me to make those statements. He was in Washington against the workingmen by his vote, and he was at home the greatest supporter and greatest sustainer of the workingman's rights, stating that no coolie could get any vote of his.

Mr. Chairman, I had supposed that this great assembly here was passing laws for our people. I had supposed when we were in convention and we were going to turn the Philippine Islands over to those people that we were not going to continue to keep them in our possession, a subject people, and enact laws for their government and welfare. Just when and where do we come out in the open and be honest in our transactions? The gentleman from Virginia [Mr. JONES] the other day from this floor stated that we had expended $400,000,000 on the Filipinos. In the name of all that is good, just suppose we take part of that $400,000,000 and expend it in bettering the conditions of the poor fellows who are needy on account of the high cost of living in this country. The Filipino can take care of himself and wants the chance.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. UNDERWOOD. Mr. Chairman, I move that all debate on the paragraph be now closed.

Mr. MONDELL. I trust the gentleman will——

Mr. MANN. I want about a couple of minutes.

Mr. UNDERWOOD. Does the gentleman from Wyoming desire to debate the paragraph?

Mr. MONDELL. Yes; this paragraph.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this paragraph—how much time does the gentleman from Wyoming desire?

Mr. MONDELL. Five minutes.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this paragraph close in nine minutes, the gentleman from Wyoming to have five minutes, the gentleman from Massachusetts [Mr. GARDNER] two minutes, and the gentleman from Illinois [Mr. MANN] two minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this paragraph and all amendments thereto be closed in nine minutes, the gentleman from Wyoming to have five minutes, the gentleman from Massachusetts [Mr. GARDNER] to have two minutes, and the gentleman from Illinois [Mr. MANN] to have two minutes. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. MANN. Mr. Chairman, I regret very much the gentleman from Connecticut [Mr. DONOVAN], who is out of harmony with his own party on the subject of legislation, at this time should have availed himself of his privilege on the floor to make a somewhat bitter assault upon his predecessor. It is not necessary for anyone to defend before any Member of this House who has served in Congress heretofore the gentleman from Connecticut, Ebenezer J. Hill. [Applause on the Republican side.] No one here ever had a higher standing, both for honor and honesty, for intelligence and capability, for hard work and deep digging, than Mr. Hill of Connecticut. [Applause on the Republican side.] And if in the future time shall bring him back to this House, it will be conferring a great service upon the country and the greatest service which his district can possibly confer in any manner whatever. [Applause on the Republican side.]

Mr. GARDNER. Mr. Chairman, supplementing what the gentleman from Illinois [Mr. MANN] has just said I wish to read a few words with reference to the gentleman from Connecticut, Mr. Hill, who has been so severely criticized by his successor.

These words which I shall read are not the words of a Republican; they are the words of your Democratic leader, the gentleman from Pennsylvania, Mr. A. MITCHELL PALMER. He spoke these words on the floor of this House the other day. Let us see what Mr. PALMER, of the Ways and Means Committee, says about this gentleman who has been attacked so severely. On Friday, May 2, 1913, Mr. PALMER said:

> The gentleman from Connecticut, Mr. Hill, who is no longer a Member of this House, but whose ability to construct tariff legislation with accuracy and regard for the facts from his point of view—I mean with regard to the principle upon which Republicans would write a law—no man will gainsay, and whose industry, capacity for work, and desire to do what in good faith he started out to accomplish no man in the House will criticize.

[Loud applause on the Republican side.]

Mr. MONDELL. Mr. Chairman, I understand that it is the avowed purpose of the Democratic party to move immediately to a recognition of the independence of the Philippine Islands and to provide at an early date for the complete separation of those islands from our country, and yet the first move which the party makes after that declaration in national convention is to propose to tie the islands to us in bonds of trade that in the very nature of things can not continue after the separation shall come. They propose to establish conditions under which it will be less desirable to those people to leave us, conditions under which an increased number of those people shall desire to remain bound to us, and conditions under which, if separation shall come, the industries of the islands shall be thrown into infinitely greater confusion than they would otherwise be. The gentlemen on the other side talk about special privileges and are tremendously fearful that under the flag and on the continent of America some citizen of the United States shall have the privilege of doing business on the basis of the high wages paid here, but they are perfectly willing to give special privileges over yonder in the Philippines to the Tobacco Trust and to the Sugar Trust, both of which will be vastly benefited in the manufacture, the one of tobacco or cigars, and the other of sugar, by this paragraph of the bill. The gentlemen on the Democratic side talk about hothouse industries, and they say they do not want to hothouse industries. The gentleman from New York [Mr. HARRISON] wants to destroy the beet and cane sugar industry in our country because it is, he says, a hothouse industry, but you propose to extend the hothouse influence of our sugar and tobacco tariff to a country which is hothoused by nature and which does not require this great privilege that you are now proposing to give them. The gentleman from Alabama [Mr. UNDERWOOD] says we must be fair to the Philippines. Aye, we are more than fair to the Philippines when we give them this great market for all their products except an unlimited quantity of those products which in the very nature of things, by reason of their climate, the conditions of living—conditions under which men work with small expense for housing or clothing, requiring for comfort little more than a breechclout and a bamboo hut, and enjoying life. We are giving them infinitely more than they are giving us when we give them our mighty market over here for the limited market they are affording us.

Ah, you have gone from schedule to schedule, smashing American industry, depriving highly paid American workmen of their opportunities for employment. And after all this is done, to complete the unholy job you have set yourselves to do, you propose to open our markets for protected products in an unlimited way to people whose standards of living are below ours, people whose rates of wages are far below ours, and give them the benefits of tariff rates on sugar and tobacco that we have established in order that highly paid American labor may thrive. Of all of the blunders and errors of this bill, this is perhaps the worst. Not content with giving the Philippines the unrestricted benefit of our protected market, you give them a chance to secure from India, the Malay States, China, and Japan, and from all over the East, products in unlimited quantities, and ship them here free of duty provided they declare that 50 per cent of the value of such products is of Philippine origin. And this is the first move in your plan of scuttle, of your policy of the surrender of our responsibilities to the Philippines. [Applause on the Republican side.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

Mr. BROUSSARD. Mr. Chairman, is the debate rule closed?

The CHAIRMAN. No; the unanimous-agreement debate on this paragraph is closed. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. Is there not a pending amendment—the amendment offered by the gentleman from Michigan [Mr. FORDNEY]?

The CHAIRMAN. The Chair's recollection was at fault about the matter. The question is on the amendment proposed by the gentleman from Michigan [Mr. FORDNEY].

The question was taken, and the amendment was rejected.

Mr. DONOVAN. Now, Mr. Chairman——

The CHAIRMAN. The debate on this paragraph and all amendments thereto is exhausted. The Clerk will read.

The Clerk read as follows:

> D. That articles, goods, wares, or merchandise going into Porto Rico from the United States shall be exempted from the payment of any tax imposed by the internal-revenue laws of the United States.

Mr. DONOVAN. Mr. Chairman, my usual motion. It is a pity, and I suppose I ought to say unfortunate, that the distinguished gentleman from Illinois [Mr. MANN], who has served here for many terms, should think it necessary to take advantage of an amateur, one who has been in his seat only a few weeks, and turn the venom of his tongue upon him, and that the distinguished and golden character from Massachusetts [Mr. GARDNER]—"Me, too"—should himself add to it. Why did they not do as they ought to have done, and turn on the gentleman from the Springfield district of Massachusetts [Mr. GILLETT]? He was the one who brought this matter up. He was the one who brought this charge against me that in the campaign I used the tobacco schedule against a Member of Congress. And I wish to say that I issued the challenge that if a single word I stated in the campaign was not true I would withdraw as a candidate. I now say that if a single statement I have made against the candidate on the stump is not true I will resign my seat in this body. I have no other stock in trade but the truth. I did state that the gentleman who was my opponent had a dual capacity politically. I now repeat it. [Applause.]

Mr. KEATING. Mr. Chairman, I move to strike out the last two words.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in five minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes. Is there objection?

Mr. COOPER. Can not the gentleman yield me one minute?

Mr. UNDERWOOD. There will be another paragraph.

Mr. COOPER. I simply wanted to ask the gentleman from Alabama [Mr. UNDERWOOD] one question.

Mr. BROUSSARD. Mr. Chairman, reserving the right to object, I would like to ask the gentleman from Alabama whether, after the gentleman from Colorado [Mr. KEATING] shall have addressed the committee for five minutes, I would not be extended the time to read a letter, a copy of which I have in my hand, addressed to the gentleman from Colorado [Mr. KEATING], should he not have received the letter. I ask for two minutes.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that the gentleman from Colorado [Mr. KEATING] may have five minutes, the gentleman from Louisiana [Mr. BROUSSARD] two minutes, and the gentleman from Wisconsin [Mr. COOPER] two minutes.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that all debate on this paragraph shall close in nine minutes, two minutes to be used by the gentleman from Louisiana [Mr. BROUSSARD], two minutes to the gentleman from Wisconsin [Mr. COOPER], and five minutes to the gentleman from Colorado [Mr. KEATING]. Is there objection?

There was no objection.

Mr. KEATING. Mr. Chairman, a few moments ago I asked the gentleman from Massachusetts a question, and he suggested that he wished the Clerk to read the particular paragraph of his letter to which I have referred. I think the gentleman has the letter now. If not, Mr. Chairman, I can not proceed without the letter.

Mr. UNDERWOOD. Mr. Chairman, as the letter which the gentleman wishes to talk about is not here, I will ask unanimous consent that the gentleman may wait until the other gentlemen have spoken. Let the present arrangement stand as it is, Mr. Chairman, but let the gentleman from Colorado [Mr. KEATING] come in after the other gentlemen have spoken.

The CHAIRMAN. Without objection, that will be done.

Mr. MANN. The gentleman from Colorado [Mr. KEATING] does not need to yield the floor. He will simply be recognized later.

Mr. BROUSSARD. Mr. Chairman, if the gentleman has the letter, maybe it is the same as that of which I have a copy here.

Mr. KEATING. Let the gentleman proceed.

Mr. BROUSSARD. I do not want to engage in the debate, Mr. Chairman, further than to make this statement, that on a former occasion the gentleman from Colorado [Mr. KEATING] in the House said that all of the stock in the beet-sugar industry in the West was in the control, or a majority of the stock was in the control, of the American Sugar Refining Co., the concern which for years and years has held up the price of sugar in this country, and which appears now before this Congress to secure again the control of this market.

A gentleman has handed me a copy of a letter addressed to the gentleman from Colorado [Mr. KEATING], and it is fair that I should read the letter first in order that he may reply to it if he can. The letter is from Colorado. It reads as follows:

MAY 5, 1913.

Hon. EDWARD KEATING,
House of Representatives, Washington, D. C.

DEAR SIR: In a speech made by you in the House of Representatives on the 18th of April you are represented as saying that "every beet-sugar factory in the United States is controlled by the American Sugar Refining Co. either by stock or selling agreement."

As president of the American Beet Sugar Co. I am compelled to tell you that you have evidently been misinformed, and that the statement is absolutely incorrect in each and every particular. I have been chairman of the board and president of the company since 1907, and at no time during that period has the American Sugar Refining Co. been in a position to exercise any control whatever of the company and its selling. Both of these truths you might easily have learned had you desired to represent fairly an interest of vast importance to your State of Colorado, but which interest you seem intent on destroying.

In the simple interest of truth will you do me the favor to correct the misstatement?

As to my character and personal responsibility I refer you to the Hon. S. M. SPARKMAN and the Hon. FRANK CLARK, both of Florida.

Yours, very truly,

H. R. DUVAL, *President.*

[Applause on the Republican side.]

I only wanted to get this into the RECORD because the gentleman from Colorado [Mr. KEATING] took issue with me when I said that the statement he made was erroneous—that the beet-sugar industry was in the control of the American Sugar Refining Co., which is the head of the Sugar Trust in this country, and when he said that the output of the beet-sugar industry was in the control of the trust. [Applause.]

Mr. KEATING. Mr. Chairman, I did not expect to discuss sugar when I took the floor this afternoon, but I am rather glad that the gentleman from Louisiana [Mr. BROUSSARD] read the letter.

I have received the letter and I have answered the letter, and I told Mr. Duval that I could not grant his request, because all the evidence that I have been able to secure fully sustains the charge which I made on the floor of this House the other day, and which I now desire to specifically reiterate—that there is no such thing as competition between the beet-sugar interests and the Sugar Trust; and, furthermore, that the Sugar Trust, either through ownership of stock or through selling arrangements, controls the price of sugar in every town in this country. I would refer the gentleman, just as I referred Mr. Duval, to the Hardwick hearings and to other testimony that has been secured. But, fortunately, I have a very convincing bit of evidence in my hand. As the gentleman received the letter from a representative of the sugar interest, I received this clipping from a representative of another interest—the consumers of the United States.

Mr. FORDNEY. Lowry.

Mr. KEATING. No; it is not Mr. Lowry. It seems impossible for our Republican friends to understand that Democrats may secure inspiration from any source except the great interests of this country. [Applause on the Democratic side.]

Mr. FORDNEY. You have never presented any.

Mr. KEATING. This clipping is from the Denver Times of Friday evening, February 16, 1912, a litle more than a year ago. And I want to say by way of introduction that the Denver Times is a sugar paper—a paper which is devoted to the interests of the Sugar Trust.

This was written a little over a year ago, at the time when, according to some of these gentlemen, the beet-sugar manufacturers were keeping down the price of sugar. This is what it says:

Another rise of 20 cents per hundredweight in the price of sugar was recorded this morning. Beet sugar, which on Monday was selling at $6 a hundredweight, went to $6.20 Tuesday and this morning leaped to $6.40. Cane sugar has gone since Monday from $6.20 to $6.40 and then to $6.60, where it now stands.

Despite the fact that there is an ample supply of sugar on hand, local wholesalers predict that sugar will go even higher before the present manipulation by eastern speculators comes to an end. They declare that the high price is artificial and that there exists no market conditions to naturally cause it.

A year ago this time sugar was selling at $5, with not nearly as much of the product on the market as there is this year. Local dealers declare that they have nothing to do with the making of the prices, but have to follow the lead set by the New York sugar brokers.

According to this special pleader for the Sugar Trust, the warehouses in Colorado were filled with sugar made in Colorado, and yet the price went up by leaps and bounds. Why? Because our friends of the beet-sugar interests were following the prices set by the sugar brokers on the New York market, and those sugar brokers were controlled and dictated to absolutely by the Sugar Trust.

Mr. Chairman, how much more time have I?

The CHAIRMAN. One minute.

Mr. KEATING. Then, I want to revert to the question which caused me to take the floor. I want to read a paragraph from the letter which was sent to the Clerk's desk by the gentleman from Massachusetts [Mr. TREADWAY]. This letter from the Cigar Makers' Union states:

We have positive proof that such would be the result, as when, under a former administration—

That is, the Taft administration—

150,000,000 cigars a year were to be admitted, and were admitted, it put 5,000 American cigar makers, packers, and strippers out of employment.

There is the testimony of the gentleman's own witness. I ask him, as a Republican, if he is prepared to stand for the truth of that statement made by his own witness?

So far as I am concerned, while I am a Democrat, I want to deny the truth of that statement; but the gentleman has put it into the RECORD with his indorsement, and I ask him to state what he thinks of this statement made by his own witness.

Mr. TREADWAY. Mr. Chairman——

The CHAIRMAN. The time of the gentleman from Colorado has expired. Under the agreement the gentleman from Wisconsin [Mr. COOPER] is entitled to two minutes.

Mr. COOPER. Mr. Chairman, I withdraw my request for time.

The CHAIRMAN. By unanimous consent the gentleman from Massachusetts [Mr. TREADWAY] may proceed for two minutes.

Mr. TREADWAY. The gentleman from Colorado [Mr. KEATING] has asked me whether or not I vouch for the statement of my constituent. I vouch for it in that I believe he is truthful in making it. The gentleman who makes the statement is a truthful citizen of my district and he has given me these particulars, and I take it, as coming from him, the statement is true. [Applause on the Republican side.] If by the importation of 62,000,000 cigars from the Philippine Islands 5,000 American workmen can be thrown out of employment, I ask, Mr. Chairman, how many can be thrown out of employment if we open our gates wide to the unlimited importation of cigars from the Philippine Islands? [Applause on the Republican side.] Let me ask the gentleman if he is aware that importations have increased from 1911 when they were 22,900,000 until for the last eight months of the present fiscal year they amount to 75,000,000, and will not the limit be exhausted within a very short time? Do not our Democratic friends see that it will

when they ask to have the provision of 150,000,000 taken off the statute books and the doors thrown wide open? This is the evident reason for admitting an unlimited number, as the importation has grown so rapidly in the past three years. Does not that indicate just how the American workmen, the members of the cigar makers' union of our country, will be treated by this importation from the Philippine Islands when there is absolutely no limitation made as to the number which may come in? Mr. Chairman, I submit I am prepared to stand by the wishes of my constituents very much better than the gentleman from Colorado is to abide by the wishes of his constituents from the evidence submitted in the letter read by the gentleman from Louisiana [Mr. BROUSSARD]. [Applause on the Republican side.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn.

The Clerk read as follows:

E. That whenever any country, dependency, colony, province, or other political subdivision of government shall pay or bestow, directly or indirectly, any bounty or grant upon the exportation of any article or merchandise from such country, dependency, colony, province, or other political subdivision of government, and such article or merchandise is dutiable under the provisions of this act, then upon the importation of any such article or merchandise into the United States, whether the same shall be imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise, there shall be levied and paid, in all such cases, in addition to the duties otherwise imposed by this act, an additional duty equal to the net amount of such bounty or grant, however the same be paid or bestowed. The net amount of all such bounties or grants shall be from time to time ascertained, determined, and declared by the Secretary of the Treasury, who shall make all needful regulations for the identification of such articles and merchandise and for the assessment and collection of such additional duties.

Mr. FORDNEY. Mr. Chairman, I offer the following amendment to this section.

The Clerk read as follows:

Page 199, line 13, after the word "government," strike out down to and including the word "act," in line 14; and in line 21, after the word "cases," insert "a"; and strike out, in lines 21 and 22, the following (after the word "cases," in line 21), "in addition to the duties otherwise imposed by this act, an additional."

Mr. FORDNEY. Mr. Chairman, I wish I had sufficient time to answer the statement just made by the gentleman from Colorado [Mr. KEATING]. If I understood him correctly, he stated that the beet-sugar factories in this country are controlled by the Sugar Trust, and he gains his information from the testimony furnished to the Hardwick investigating committee and otherwise. I happened to have the honor of having been a member of that investigating committee, and I defy the gentleman from Colorado, or any other man, to produce one single word of evidence that the beet-sugar factories of this country are controlled by the Sugar Refining Co. or any other trust. It is not in the hearings presented to that committee for him or any other man to find.

I have offered an amendment to paragraph E, page 199, for this reason: This paragraph, if put into law, provides for a countervailing duty on dutiable goods only, and if at the end of three years sugar is to be placed on the free list, the sugar of this country or of Cuba will be placed at a very great disadvantage by Russian sugar. The Government of the United States and every country that is a party to the Brussels convention countervail against Russian sugar, for the reason that the Government of Russia pays a bounty to her sugar manufacturers, and the Government of the United States countervails to the extent of 72 cents a hundred pounds against this sugar. England countervails against Russian sugar, and the gentlemen that would vote for the putting of sugar on the free list would certainly aid in the interest of the sugar refining companies in this country. I have here a letter from the Department of Justice, and I want to call your attention to the methods used by the refining interests of this country to obtain lower rates of duty on sugar. The letter is addressed to me by the Department of Justice, February 21, 1913.

It says:

The amount of money paid to the Government by the various companies concerned in the sugar frauds have been as follows:

The American Sugar Refining Co., the chief beneficiary of free sugar, paid to the Government of the United States penalties for underweighing at New York $135,486; duties and penalties for underweighing at New York, $2,000,000; fraudulent drawbacks at New York, $700,000. Fraudulent underweighing and drawbacks at Philadelphia, $124,386.

The Arbuckle Bros. paid for underweighing at New York $695,573. The National Sugar Refining Co.—and I may say that there is a case in court now to declare void certain common stock issued to Mr. Havemeyer during his lifetime, and if that stock is declared void the American Sugar Refining Co. has control of the preferred stock of the National Sugar Refining Co. That company paid for underweighing $604,304. The W. J. McCann Sugar Refining Co., a branch of the American Sugar Refining Co. at Philadelphia, paid $124,386. I did not give the cents, but the total collected by the Government is $4,384,136.46 that have recently been paid by these companies to the Government for fraud.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Just half a minute. There is another suit pending against the American Sugar Refining Co. at New Orleans involving $100,536.73; another suit against the Federal Sugar Co.—of which Mr. Lowry, about whom so much has been said, is the sales agent—involving $119,080.90. Gentlemen, they are bound to have this duty, by fraud or by Democratic tariff legislation. [Applause on the Republican side.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on the paragraph and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HEFLIN. Mr. Chairman, I heard part of the speech of the gentleman from Massachusetts [Mr. GREENE], who represents the largest cotton-manufacturing district in the United States. The gentleman refers, if I understood him rightly, to protests coming up from the South against the Underwood bill, particularly the cotton schedule. I want to inform the House and the country how some of these protests are inspired. Here is a telegram sent to the cotton mills of the South by the American Cotton Manufacturers' Association, calling upon the cotton-mill men to wire Members of this House and to wire Senators to raise the tariff on cotton goods. They say that there is hope of doing that in the Senate if the mills will all get busy and wire their protests immediately. I have not had a single letter from my district suggesting opposition of this kind, and there are cotton mills in it, and I represent the largest cotton-producing district in the State. I thank God that the South is planted on the side of tariff reduction in this fight. [Applause on the Democratic side.] Our people have arrived at the time, as they have in your sections, gentlemen, if we judge by the verdict of November, when they demand that this tariff tax shall be reduced. [Applause on the Democratic side.] I hold in my hand a letter from a cotton-mill man at Florence, Ala., Mr. Ashcraft, president of a cotton mill there. He is a Democrat. Here is the telegram sent to Mr. Ashcraft and his letter inclosing the telegram to me:

CHARLOTTE, N. C., *April 29, 1913.*

To ASHCRAFT COTTON MILLS, *Florence, Ala.:*

Senators and Congressmen generally are saying there is no opposition to the new tariff bill from their constituents, and will pass it unless prompt protest telegraphed them. Situation encouraging for amendment in Senate if all mills telegraph their Senators and Congressmen urging higher rates. You and friends telegraph them promptly. Urgent.

AMERICAN COTTON MANUFACTURERS' ASSOCIATION.

—

FLORENCE, ALA., *May 1, 1913.*

Hon. J. THOMAS HEFLIN, *Washington, D. C.*

DEAR SIR: Inclosed I hand you copy of telegram which I have just received.

I wish to say concerning this telegram that according to my understanding of the Underwood bill there is retained on all cotton goods a small tariff, beginning with 5 per cent on the coarser yarns and advancing with the finer numbers. While it is nature for every man to want all reasonable advantage in business, I must say in perfect frankness that with the advantages possessed by American cotton millers if we can not continue in business at a profit we should get out. Unquestionably we raise the cotton and have every advantage of the foreigner in matter of freight, and some 15 per cent or less in waste, and then all the freight on the finished goods back, together with from 5 to 40 per cent advantage by an import tariff. It does seem to me that American manufacturers should be satisfied with this situation.

Therefore I do not think that I can conscientiously give my indorsement to the sentiments expressed in this telegram. On the other hand, I think it my conscientious duty to urge you to give your most earnest support to the Underwood bill.

Yours, truly, C. W. ASHCRAFT.

[Applause on the Democratic side.]

Mr. ROBERTS of Nevada. Mr. Chairman, will the gentleman yield?

Mr. HEFLIN. Mr. Chairman, I can not yield at this time. I am proud of the fact that there are men in this country engaged in legitimate business who want other men to have a chance in the struggle of life. I have seen on that side, until I am tired, men rise and speak in the interest of some special interest and not in the interest of the people. It is not my desire to injure a single legitimate industry in the United States, but I plead in behalf of the millions of people who have been imposed upon, who have been oppressed by these tariff-protected industries under the reign of the Republican Party. Have we forgotten the pledges made in the campaign that we would reduce the tariff tax? Are gentlemen to be frightened now by this calamitous howl of those who have always stood by the protected interests of this country? I think not; and when I saw this afternoon this side standing in solid phalanx behind the great floor leader of the Democratic Party in this House [applause] I said the American people have occasion to be happy—the Democratic Party is in power and

we are going to keep our pledges and reduce the tariff tax. [Applause on the Democratic side.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. FORDNEY].

The amendment was rejected.

Mr. HULINGS. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. HULINGS. To move to strike out the last word.

The CHAIRMAN. Debate on this paragraph is exhausted, and the Clerk will read.

The Clerk read as follows:

F. Subsection 1. That all articles of foreign manufacture or production, which are capable of being marked, stamped, branded, or labeled, without injury, shall be marked, stamped, branded, or labeled in legible English words, in a conspicuous place that shall not be covered or obscured by any subsequent attachments or arrangements, so as to indicate the country of origin. Said marking, stamping, branding, or labeling shall be as nearly indelible and permanent as the nature of the article will permit.

Mr. HULINGS. Mr. Chairman, I move to strike out the last word.

I am disappointed in this bill. I hoped much from your promises. I wanted to vote for it. For many of its paragraphs I could still cheerfully vote, but I get no opportunity. I must swallow it whole, and that I can not do. I give you credit for sincerity, but your bill has been forced through by the old methods of secret-caucus rule, under duress of official patronage.

How can a Pennsylvanian coming from a great manufacturing and agricultural district vote for a bill which puts practically everything that a farmer produces on the free list, while it throws our markets open to competition with foreign goods?

Now, if foreign-made goods do not come in, the bill will be a failure, because it will not produce the necessary revenues to meet the expenses of the Government.

But, on the other hand, if the bill with its low rates does produce the revenues, it will require a flood of foreign goods to be imported, all of which means that these foreign goods will displace American-made goods and throw some Americans out of work.

You could not pass this bill by secret ballot. If each member voted on his own judgment without coercion of the party whip your bill would fall.

The facts have been construed to fit the Procrustean bed of the doctrinaire. Your bill is devised along partisan lines.

The debates here show that ignorance only can explain the discrepancies of the facts alleged, and the need of information from nonpartisan, unbiased sources is apparent.

Some of the schedules in which the demand of the people for a judicious revision downward has been met ought to be passed and the rest of the bill ought to be sent to the committee to stay there until the committee can revise it in the light to be had from a nonpartisan tariff commission, which should be speedily provided.

The Democrats, though polling less than 41 per cent of the votes in the last election, are put in power by a political accident.

They arrogantly claim on this floor that they are commissioned by the people, yet only 4 voters out of every 10 voted the Democratic ticket at the last election, and a lot of them were disgruntled Republicans who voted for Wilson for fear Roosevelt would win.

The people are not with you in your free-trade ideas.

The division in party lines which put you in control is not a commission from the people to destroy the protective tariff and set up free-trade notions that have been repudiated by every civilized nation save England, and she is in the way of repudiating it.

This bill is false to every tariff dogma you ever pretended to believe.

It is a mass of inconsistencies, illogical and incoherent.

Claiming in your platform that a protective tariff is unconstitutional, yet some of your schedules highly protect certain interests.

Your much-vaunted claim that this bill would greatly reduce the high cost of living is now practically and publicly repudiated by its author and the Secretary of the Treasury.

In some schedules raw materials produced in this country are exposed to foreign competition, while manufactured goods made from them are protected by high tariffs.

In other schedules you subject our manufacturers to the free and open competition of foreigners with their cheap labor, while putting a tax on raw materials our manufacturers must use.

You promised to revise the tariff downward judiciously, so as not to injure business by swift changes from a protective to a free-trade basis, but you have made radical cuts that will greatly injure some lines of business and have made sweeping changes in other lines that will destroy them.

You propose to secure competition by throwing our markets open to the foreigner, blind to the fact that international trusts are rapidly establishing world-wide monopolies which are utterly beyond the control of American legislation and which under free trade can plunder us at will, when even the blind might see that the only defense against them is a tariff wall that can shut them out and leave our markets to the free competition of our own producers under such regulations and control as Congress shall choose to establish.

By throwing open the doors and giving up our own markets you propose to find a market "beyond the seas." When you get as far as Germany, France, Italy, and South America, you will run against their tariff walls, and after you pay freight and duty you will find competition that employs labor at half our scale.

High tariff never kept us from going "beyond the seas." But with all our efforts we have only found a market for 3 per cent of our manufactures, and that to a large extent is specialties.

Pull down the tariff walls, throw our markets open to the foreigner, and you must pull down wages or go out of business.

All goods made abroad brought into a market heretofore supplied by our own workmen throws some American out of a job. And whether it be true, as you claim, that your bill will not reduce wages, the fact remains that wages high or wages low there will be less work to be done in this country and somebody will be out of a job.

About so many shoes are used by our population. Make some of them abroad and some American shoemaker will be out of a job.

Under your bill England, France, and Germany will do some of our weaving and spinning that we now do at home. Belgium will make much of our plate glass.

Australia will furnish much of our wool; Canada much of our flour, shingles, and meat.

The International Sugar Trust will wipe out the beet-sugar industry and presently will "soak" us for what prices for sugar they please.

If the Republican leaders, and I speak not of the rank and file of the party, but of the leaders who controlled the organization, if these leaders, when the party was dominant, had enacted the tariff law that they offered since they lost the power to enact one; if they had enacted the nonpartisan tariff commission which they now pretend to favor when they had the power to enact one; if they had been as progressive before their defeat as they pretend to be since, and had abandoned their alliances with the special interests, the Republican Party would be in control yet.

But under a high tariff they allowed combinations to suppress competition and pile up ill-gotten millions, and at the beck and nod of these combinations hindered and obstructed the enactment of effective laws to prevent monopolies, obstructed the administration of such laws as we had to control them, and became the publicly exposed sponsors and defenders of these special interests.

The Republican leaders, knowing that the American people believe in a protective tariff, knowing that they have no faith in Democratic free-trade doctrines, fancied that the people would stand for anything bearing the name of "protection." Swollen with power, deaf to all remonstrance, they conspired with these illicit combinations to control the Government.

In the absence of laws to effectively regulate these combinations the people demanded and all parties agreed to a revision of the tariff downward as a "short cut" to destroy these devilfish and restore competition, although a better and more radical remedy would be through a criminal code.

If Mr. Taft had stood by his party platform; if he had stood by his agreement to carry out the Roosevelt policies, to which he was pledged, he would be President to-day and there would be no serious division in the Republican Party. But the party leaders, who were in partnership with the managers of the trusts, hating Roosevelt and all his policies, were too strong for Mr. Taft, and he made complete surrender to them, which was the signal for revolt.

But the revolt was not against the protective principle.

The revolt was against Republican leaders who had usurped the power of the party machinery; robbed the voters of the right to choose their own candidates; ousted the people from control, and set up a government "by a representative class" of representatives chosen by themselves; built up powerful machines by the influence and the money of the beneficiaries of special privileges; and by political brokerage and trickery, filling high places and small with men who would "go along" and be subservient, were building up an oligarchy of wealth.

And it is these same leaders that have driven nearly two-thirds of the voters out of the party by their usurpations—or to put it most mildly, by their incapacity to see and their neglect to do the will of the majority—who have the impudence to charge the Progressives with disloyalty and with breaking up the Republican Party, and who still seek to hold political power by deceiving the people with hypocritical professions of reform.

A majority of the Republican voters revolted against the domination of these leaders who had proved false to every principle of Republicanism and organized the Progressive Party upon a platform of social reforms that should give back to the people their constitutional powers of government; that should enlist governmental agencies in the protection of the home, the women, the children, and the toiling masses; that should enact a protective tariff based upon a scientific ascertainment of the facts by a nonpartisan commission; that should enact laws to destroy monopolies and special privilege, to the end that free competition and equal opportunities should be maintained in all lines between our own producers; and for immediate relief, and in obedience to the demand of the people to reduce the high tariffs behind which special privilege is intrenched.

Such a program is sneered at in this House by Republican leaders and by Democratic leaders who are tarred with the same stick and who, in the old days of Republican domination, were always ready to "go along" when they were needed by special privilege.

The ridicule and cheap wit aimed at the Progressive Party comes from both sides of this House and the stand-pat press of the country, though the only elements of political respectability in either of the old parties are those elements in the Democratic Party that sincerely believe in Woodrow Wilson's progressivism, and those elements in the Republican Party that at heart favor the Progressive doctrines, yet through constitutional timidity allow the old ties of party loyalty to bind them to the corpse of the boss system.

It is impossible for the old leaders to understand that their day has gone by, that old things are passed away, and that Republican government is facing a new and a better day.

It is impossible for the Progressives to turn their faces away from the visions of a nobler America, and, giving up the fight for reforms that are so greatly needed, go back again under the old leadership and accept their concepts of government.

These reforms are bound to come. If they come through the Democratic Party we welcome them.

But the Democratic Party with its irreconcilable elements is bound together by a rope of sand. Only party spirit, flushed by success and official patronage, enables Mr. Wilson to hold the reactionary elements in his party. Wilson and Tammany have nothing in common but a party name.

If they come through the Republican Party we welcome them. But they never will come from a party whose leaders despise the progressive doctrines, though they make belated professions of conversion and adherence.

Names, however, are nothing.

Results only are worth while.

Men who agree on fundamentals may, nay, must, compromise to accomplish practical results. A vast majority of the voters believe in progressivism. How shall they get together? Democrats, ill assorted as they are, are little likely to leave their party in the flush of success.

The Republican leaders hate progressivism and nothing can be expected from them, and for this same reason Progressives can not go back to the Republican Party.

Two courses are open. One is to retire the old leaders and make the Republican Party what it ought to be. This involves a hard, long fight with the old leaders and having them in the party always enemies to progress.

The other is for all progressives to join the Progressive Party and make it the party of the people, for the people, and by the people.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in five minutes.

Mr. MANN. I desire a little time on this.

Mr. UNDERWOOD. I ask unanimous consent that debate on this paragraph close in——

Mr. HULINGS. Mr. Chairman, I ask the privilege of resuming this lecture on the next paragraph. [Laughter and applause.]

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate on this paragraph close in 10 minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this paragraph close in 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MITCHELL. Mr. Chairman, were it not for the fact that I was elected from a district in the heart of the Commonwealth of Massachusetts during the pendency of this tariff legislation, at this time in my young membership in this body I would not take up the time of the House; but in view of some of the statements that have been made by some Representatives of the great Commonwealth of Massachusetts, and in view of the statement just made by the distinguished gentleman from Alabama [Mr. HEFLIN] that the South is pledged to tariff reform, let me say to my colleagues in this Chamber, on both sides of the House, that we in Massachusetts and in New England join with the South in asking for tariff reduction. [Applause on the Democratic side.] Why, Mr. Chairman, the Commonwealth of Massachusetts at the election last fall gave its electoral votes for the President of the United States. [Applause on the Democratic side.] After his election and after the election of the gentleman to the United States Senate [Mr. WEEKS] from our Commonwealth, we had a special election. The tariff issue was raised by the Republican candidate and by the Progressive candidate. There is some difference in this Chamber with reference to the attitude of those two parties upon that question, but in that contest which was waged in Massachusetts, Mr. Chairman, there was no essential difference between them—they both stood for a high tariff.

We met them at the challenge which had been made and we indorsed in every section of my congressional district in Massachusetts the program of the President of the United States to revise the tariff in the interest of the people. [Applause on the Democratic side.] I believe, Mr. Chairman, that by the indorsement given me by the people of that district and by the election given me by a plurality of 4,400 that the people of the Commonwealth of Massachusetts have sent me here as a friendly emissary to this administration in its effort to reduce the tariff. [Applause on the Democratic side.] They raised the argument during the last contest that a Republican should be sent from Massachusetts or a Progressive should be sent from that splendid district to protest against the attitude of the President and to protest against the tariff-revision program.

We asked the people of Massachusetts if they believed that a protest should be made against the action of the President and the Democrats in their efforts to give the people of this great Nation cheaper foodstuffs, if a protest should be made to give the people of this country free lumber and free wool, and I believe the indorsement given to the President, to the Democratic majority, and to myself puts our fair Commonwealth of Massachusetts in line with the progressive Commonwealths of this country. [Applause on the Democratic side.]

Our Commonwealth has great manufacturing establishments within its confines. Those great establishments have been built up by the enterprise and by the energy and by the thrift of the citizens of that Commonwealth. And in this tariff legislation all we ask is a fair opportunity and a fair field, and I believe this administration can be relied upon to do as it said, "No injury shall be done to any legitimate industry." I do not believe that any injury under the provisions of this bill will be done to any legitimate enterprise in this country. [Applause on the Democratic side.]

Mr. MANN. Mr. Chairman, a few moments ago the gentleman from Alabama [Mr. HEFLIN] called the attention of the House to a letter which he had received from some cotton manufacturer, stating, as I believe, that "we have the cotton, we have the coal, we have the water power, and we can compete with the world." It so happens that in almost every other product which we produce we have ceased to send the raw material abroad. In the main, if we export wheat now, we export it in the shape of manufactured flour, or, in the main, if we export cattle now, we export them in the form of dressed or preserved meat; and the same theory or fact runs through as to nearly all of the agricultural products that this country produces so abundantly. But when it comes to cotton we export most of the raw material. Until recent years that which we manufactured in this country we did not manufacture even near the seat of production. We sent the cotton way North to be manufactured by northern industries. But in recent years, with the aid of protective tariff, gentlemen in the South have commenced to develop cotton-manufacturing establishments. We ought to maintain a policy which would make us not only the masters of the world as to cotton raw but also as to cotton manufactures. [Applause on the Republican side.] And if the South will leave aside its following of gentlemen like the gentleman from Alabama and turn and look to the industrial captains of the North, it will have a further reawakening and maintain economic policies which will permit this country to make raw cotton into cotton goods down in Dixie instead of sending cotton up to Massachusetts and across to England. We ought to make these raw materials into finished products here at home. They make wheat into flour near the seat of production. They make cattle into beef near the seat of production, but cotton they send

over the world to be manufactured after paying freight rates abroad and then paying freight rates back on the cotton goods. Wake up down South!

Mr. BARTLETT. Is it not a fact that there is manufactured in the South and used by us in the manufacture of cotton goods more bales of cotton than are manufactured in the North or East? Last year we manufactured 2,000 more bales of cotton into cotton manufactures in the South than were manufactured in the North and East.

Mr. MANN. Oh, not more than you shipped to England to be manufactured.

Mr. LANGLEY. And that was under Republican administration, too.

Mr. MANN. I congratulate the South on the development of its cotton manufactures under a Republican protective tariff. I would like to have it go further before you commence to break it down.

Mr. BARTLETT. We did it in spite of Republican maladministration.

The CHAIRMAN. Without objection, the pro forma amendment will be considered withdrawn, and the Clerk will read.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. UNDERWOOD. Mr. Chairman, I understood the debate had been closed on this paragraph.

The CHAIRMAN. Of course, an amendment is in order, but the Chair will state to the gentleman from Massachusetts [Mr. ROBERTS] that all debate has been exhausted on this paragraph, on paragraph F. The Clerk will read.

The Clerk read as follows:

F. Subsection 1. That all articles of foreign manufacture or production, which are capable of being marked, stamped, branded, or labeled, without injury, shall be marked, stamped, branded, or labeled in legible English words, in a conspicuous place that shall not be covered or obscured by any subsequent attachments or arrangements, so as to indicate the country of origin. Said marking, stamping, branding, or labeling shall be as nearly indelible and permanent as the nature of the article will permit.

Mr. UNDERWOOD. Mr. Chairman, I understand we have completed paragraph F.

The CHAIRMAN. The first section of paragraph F has been read, but nothing beyond that.

Mr. UNDERWOOD. Very well.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

All packages containing imported articles shall be marked, stamped, branded, or labeled so as to indicate legibly and plainly, in English words, the country of origin and the quantity of their contents, and until marked in accordance with the directions prescribed in this section no articles or packages shall be delivered to the importer.

Should any article or package of imported merchandise be marked, stamped, branded, or labeled so as not accurately to indicate the quantity, number, or measurement actually contained in such article or package, no delivery of the same shall be made to the importer until the mark, stamp, brand, or label, as the case may be, shall be changed so as to conform to the facts of the case.

The Secretary of the Treasury shall prescribe the necessary rules and regulations to carry out the foregoing provision.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The Chair will call the attention of the gentleman from Massachusetts [Mr. ROBERTS] to the fact that the debate has been closed on the entire paragraph F, which extends down to about the middle of page 201. There can be no further debate until we reach paragraph G.

Mr. MANN rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. MANN. The gentleman from Massachusetts [Mr. ROBERTS] desires to offer an amendment.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Debate is closed, but an amendment can be offered when the reading of the paragraph has been completed.

Mr. MANN. But, Mr. Chairman, the committee can not close debate except by unanimous consent, except upon the paragraph that has been read, and the request of the gentleman from Alabama [Mr. UNDERWOOD] was only to close debate on the paragraph which had been read.

Mr. UNDERWOOD. Mr. Chairman, I asked unanimous consent that all debate be closed on paragraph F.

Mr. MANN. I think the gentleman said merely "the paragraph."

Mr. UNDERWOOD. No; I distinctly stated paragraph F.

Mr. MANN. If the gentleman insists upon that, I shall object hereafter to such requests. To undertake to close debate in that way before paragraphs are read is not fair.

Mr. UNDERWOOD. Mr. Chairman, I tried to be as liberal as I could. I asked unanimous consent to close debate on paragraph F for the purpose of making progress, and that was granted by unanimous consent. Now, if the gentleman has a real amendment to paragraph F——

Mr. MANN. He has not——

Mr. UNDERWOOD. I shall be glad to ask unanimous consent that he be heard. If not, I ask that he wait until paragraph G is reached and then make his debate. I ask that the Clerk may read.

The Clerk read as follows:

F. Subsection 2. If any person shall fraudulently violate any of the provisions of this act relating to the marking, stamping, branding, or labeling of any imported articles or packages; or shall fraudulently deface, destroy, remove, alter, or obliterate any such marks, stamps, brands, or labels with intent to conceal the information given by or contained in such marks, stamps, brands, or labels, he shall upon conviction be fined in any sum not exceeding $5,000, or be imprisoned for any time not exceeding one year, or both.

Mr. ROBERTS of Massachusetts. Mr. Chairman, have we reached the point where an amendment is in order?

The CHAIRMAN. It is in order at the end of the first section of the paragraph. The Clerk will read.

Mr. MANN. That was not the request that was made by the gentleman from Alabama. But I do not insist upon the matter now.

The CHAIRMAN. The Chair thought the matter had been substantially closed.

Mr. UNDERWOOD. I do not want to cut off the gentleman from speaking to the amendment, but I wanted to make progress.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

G. Subsection 1. That all persons are prohibited from importing into the United States from any foreign country any obscene book, pamphlet, paper, writing, advertisement, circular, print, picture, drawing, or other representation, figure, or image on or of paper or other material, or any cast, instrument, or other article of an immoral nature, or any drug or medicine, or any article whatever for the prevention of conception or for causing unlawful abortion, or any lottery ticket, or any advertisement of any lottery. No such articles, whether imported separately or contained in packages with other goods entitled to entry, shall be admitted to entry; and all such articles shall be proceeded against, seized, and forfeited by due process of law. All such prohibited articles and the package in which they are contained in the course of importation shall be detained by the officer of customs, and proceedings taken against the same as hereinafter prescribed, unless it appears to the satisfaction of the collector of customs that the obscene articles contained in the package were inclosed therein without the knowledge or consent of the importer, owner, agent, or consignee: *Provided*, That the drugs hereinbefore mentioned, when imported in bulk and not put up for any of the purposes hereinbefore specified, are excepted from the operation of this section.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts [Mr. ROBERTS] moves to strike out the last word.

Mr. ROBERTS of Massachusetts. Mr. Chairman, my newly elected colleague from Massachusetts [Mr. MITCHELL] stated that Massachusetts struck hands with the South for downward revision of the tariff, and in support of his statement, and what apparently to him was "confirmation strong as Holy Writ," he said that he had recently been elected from his congressional district over two candidates, one of the Republican Party the other of the Progressive Party, and that both of those candidates stood for high protection, and that his election under those circumstances conveyed to his mind the idea that he was representing a free-trade district.

Now, what are the facts, based on the statement of the gentleman himself? Both of his opponents were standing for high protection.

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

The CHAIRMAN. Does the gentleman from Massachusetts yield to his colleague?

Mr. ROBERTS of Massachusetts. Wait until I have completed my statement. I have but five minutes. Both of the candidates opposed to him stood for high protection. As a matter of fact, the gentleman received at that election, held about three weeks ago, 12,991 votes. The Republican candidate received 8,843 votes. The Progressive candidate received 5,678 votes.

Now, if we are to get the sentiment of that district, and from that district the sentiment of Massachusetts, we must put together the combined vote of the two men who stood for high protection, as he said, and we find they got a vote of 14,521, as against a vote of 12,991 for the Democratic candidate. [Applause on the Republican side.] In other words, my colleague just elected is a minority candidate from that district.

Mr. LANGLEY. And misrepresents it.

Mr. ROBERTS of Massachusetts. He is a minority candidate by 1,530 votes, and when he stands on this floor claiming that his district is a free-trade district, he is misrepresenting the majority of that district, as shown by the votes of the people.

Mr. CURLEY. Will the gentleman yield?

Mr. ROBERTS of Massachusetts. I yield now.

Mr. CURLEY. I want to ask the gentleman what has been the normal Republican majority in that district?

Mr. ROBERTS of Massachusetts. I am not familiar with it, because this is a new district. This special election is the second election that has been held in it.

Mr. CURLEY. What was the vote received by Capt. Weeks, the former Republican candidate?

Mr. ROBERTS of Massachusetts. I do not recall his vote. The gentleman is basing his election on the sentiment for or against free trade, and the sentiment shown by the figures is that protection is in the majority in that district to-day. I do not know the figures.

Mr. CURLEY. You do know this fact, if you were present in the Chamber, that the gentleman from Massachusetts did not say that he stood for free-trade policies in that district.

Mr. ROBERTS of Massachusetts. He said that the people of his district and Massachusetts struck hands with the South, and that they indorsed every feature and item of this tariff bill now under consideration.

Mr. CURLEY. For such revision as would not injure or destroy any legitimate industry.

Mr. LANGLEY. The gentleman did not make any such statement.

Mr. ROBERTS of Massachusetts. The gentleman did not make a statement such as my colleague attempts to put in my mouth.

Mr. MITCHELL. Will the gentleman yield?

Mr. ROBERTS of Massachusetts. I will yield if I have any time, for a question only.

Mr. MITCHELL. Mr. Chairman——

Mr. ROBERTS of Massachusetts. I yield for a question, not for a speech.

Mr. BARTLETT. The gentleman from Massachusetts [Mr. MITCHELL] can get recognition in his own right later.

Mr. MITCHELL. Let the gentleman from Massachusetts [Mr. ROBERTS] conclude his remarks.

Mr. ROBERTS of Massachusetts. The gentleman recently elected, my newest colleague [Mr. MITCHELL], did make the statement on this floor, unless my ears deceived me, that he proclaimed throughout the campaign his belief in all the factors and items of this tariff bill now under consideration, and that his election was an indorsement of that bill by the people in his district; whereas the figures show that the people of that district were 1,530 in the majority in favor of a protective tariff and not in favor of the bill now under consideration. [Applause on the Republican side.]

Mr. MITCHELL. Mr. Chairman, my colleague [Mr. ROBERTS], experienced in legislation and an old Member of this body, seeks in the closing hours of this debate to misrepresent me and to misrepresent what I said on the floor of this House. [Applause on the Democratic side.] Now, Mr. Chairman, although I am a new Member, I do not ask any consideration at the hands of the gentleman from Massachusetts who has sought to misrepresent me on this floor, and I want to say to the gentleman and to his colleagues from Massachusetts and to my colleagues in this House that I believe the gentleman from Massachusetts [Mr. ROBERTS] is misrepresenting his district and misrepresenting the great Commonwealth of Massachusetts. [Applause on the Democratic side.] The gentleman quotes some figures——

Mr. ROBERTS of Massachusetts. Are they inaccurate?

Mr. MITCHELL. The figures are not correct, and the gentleman knows they are not correct. [Applause on the Democratic side.]

Mr. ROBERTS of Massachusetts. Will the gentleman give us the figures?

Mr. SHACKLEFORD. The gentleman must not interrupt his colleague who has the floor.

Mr. BARTLETT. The gentleman from Massachusetts [Mr. MITCHELL] is entitled to the floor.

The CHAIRMAN. The committee will be in order.

Mr. MITCHELL. Mr. Chairman, the gentleman knows that exactly the same kind of a contest took place in the same district last fall. Mr. WEEKS was the candidate upon the Republican ticket. We had a Progressive candidate, but Mr. WEEKS carried the district by 2,300 votes. After the special session had been called, after the tariff bill had been introduced into this House, we had a special election. There was a Republican candidate and a Progressive candidate. The issue was clear. The issue was raised by the Republican and the Progressive candidates, and in the same district where I had been defeated in the fall by 2,300 votes I was elected by 4,427 votes. [Applause on the Democratic side.]

Mr. Chairman, I said that the people of my Commonwealth are in favor of tariff revision honestly made, and I believe that the recent election of Senator HOLLIS in New Hampshire also bears testimony to the sentiment in that State. [Applause on the Democratic side.]

The elections in Maine, the elections in Connecticut and other New England States, I believe, Mr. Chairman, bear testimony to the fact that we, as well as those in the South and in the West and in every section of the country, are in favor of an honest downward revision of the tariff, and I believe that that is the spirit that flows all through this Underwood bill. [Applause on the Democratic side.]

Mr. ROBERTS of Massachusetts. Mr. Chairman——

Mr. PALMER. Mr. Chairman, I make the point of order that debate is exhausted on this paragraph.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I withdraw the pro forma amendment, and I move to strike out the last two words.

Mr. PALMER. The gentleman from Massachusetts can not extend the time by repeating one pro forma amendment after another.

The CHAIRMAN. The Chair thinks the gentleman from Pennsylvania is correct.

Mr. PALMER. In the absence of the gentleman from Alabama, who has announced that he will not extend the time, I do not think the gentleman from Massachusetts ought to ask for time. The gentleman can come in under the next paragraph.

Mr. ROBERTS of Massachusetts. This is the first time I have asked or occupied a moment's time in this debate, and I would like two minutes.

Mr. PALMER. But the gentleman can come in under the next paragraph.

Mr. MANN. Mr. Chairman, I move to strike out the last word of the paragraph and insert in its place the word "subsection."

Mr. PALMER. Mr. Chairman, I ask unanimous consent that debate on the amendment may close at the end of five minutes.

The CHAIRMAN. The gentleman asks unanimous consent that debate on this amendment close in five minutes. Is there objection?

There was no objection

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 202, line 11, by striking out the word "section," at the end of the line, and inserting in lieu thereof the word "subsection."

Mr. MANN. Mr. Chairman, this is section 4 of the bill which is now being read, divided into paragraphs which follow letters of the alphabet, and then again subdivided into subsections. Here is a proposition in regard to drugs used to prevent conception or to cause abortions. Then there is a proviso that the drugs heretofore mentioned when imported in bulk, not put up for the purposes hereinbefore specified, are excepted from the operation of this section. Of course, clearly the intention was to except it from the subsection.

Mr. PALMER. Mr. Chairman, I think the gentleman from Illinois is entirely right about it, and because we want the distinguished gentleman from Illinois to have a real part in the framing of this great law that is going to work so great a benefit to the people of this country we propose to vote for his amendment and put it in the bill. [Laughter and applause.]

Mr. MANN. Reason has finally penetrated the brains of gentlemen on the other side. [Laughter.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to. [Applause.]

The Clerk read as follows:

G. Subsection 2. That whoever, being an officer, agent, or employee of the Government of the United States, shall knowingly aid or abet any person engaged in any violation of any of the provisions of law prohibiting importing, advertising, dealing in, exhibiting, or sending or receiving by mail obscene or indecent publications or representations, or means for preventing conception or procuring abortion, or other articles of indecent or immoral use or tendency, shall be deemed guilty of a misdemeanor, and shall for every offense be punishable by a fine of not more than $5,000, or by imprisonment at hard labor for not more than 10 years, or both.

Mr. ROBERTS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. PALMER. Will the gentleman yield for a moment?

Mr. ROBERTS of Massachusetts. Yes.

Mr. PALMER. Mr. Chairman, I ask unanimous consent that all debate on this subsection and amendments thereto may close in 10 minutes.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that all debate on this subsection and all amendments thereto close in 10 minutes. Is there objection?

There was no objection.

Mr. ROBERTS of Massachusetts. Mr. Chairman, just a moment ago the gentleman from Massachusetts, my newest colleague [Mr. MITCHELL], accused me on the floor of this House of misrepresenting him. He told this committee that I had not given correctly the figures by which he was elected and those received by his opponent. I want to read from the Congressional Directory, Sixty-third Congress, first session, a sketch of JOHN J. MITCHELL, Democrat, Marlboro. I will not read the biographical part, but I will come down to the last lines:

Elected to the Sixty-third Congress April 15, 1913, to succeed the Hon. JOHN W. WEEKS, receiving 12,991 votes—

That is what I stated—

to 8,843 for Alfred H. Cutting, Republican—

That is what I stated—

and 5,678 for Norman H. White, Progressive.

That is what I stated.

Mr. Chairman, the gentleman may run bluffs like that in his own district and get by with them, but he can not do it on the floor of this House. When he accuses a Member of making false statements he wants to be absolutely certain that he himself is right. In the gentleman's denial of my statements that he does not represent the majority sentiment of his district on the question of protection or free trade, I leave it to this committee to say whether he met the point which I raised, namely, that both his opponents standing as he himself said for high protection, received 1,530 votes more than he received. He harks back to the election of last November as apparently throwing some light and possibly bolstering up his claim that his district is for a revision downward or free trade.

The Republican in that district last November, now Senator WEEKS, was elected by a plurality of something over 2,000; but bear in mind that last November in that district there was not only the gentleman himself now representing that district, a candidate on the Democratic ticket, but we had a Progressive candidate as well, and the Progressive candidate in that district in November stood for protection. Does the gentleman deny it? The Republican who was elected, late a Member of this House, known to the older Members, stood for protection, and the combined vote of the successful Republican and the Progressive left the gentleman now representing that district far behind, much farther behind than the 2,200 or 2,300, as he says, plurality would seem to indicate.

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

Mr. ROBERTS of Massachusetts. No; I can not yield. The gentleman can get time to make any statements he wishes. The facts are, and the gentleman well knows them, that if he puts his election on the vote of that district on free trade or protection, he does not represent the sentiment of his district when he stands on his feet on this floor and claims to do so. He is representing the minority sentiment of his district, and I believe, with the possible exception of one or two districts in that State, he represents the minority sentiment of all the districts on the question of protection or free trade. Massachusetts has grown rich and great under the beneficent policy of protection. It is what gives our men employment. It is what keeps them all happy and prosperous and contented; and Massachusetts, as a whole, is not to-day favoring free trade; and in my judgment, when the issue comes square, as it will in the next congressional election, you will find my prophecy substantiated by the vote.

I have here the vote in November in that district, and it appears that the protection vote on the basis that the gentleman from the thirteenth district would have us assume was 28,100, as against a free-trade vote, which he received in November, of 13,500—barely more than half of the voters on his theory last November being for free trade, and at present the free-trade sentiment being 1,500 and more in the minority.

Mr. MITCHELL. Mr. Chairman, my colleague from Massachusetts quotes from the Congressional Directory the figures of the recent contest. The election took place on the 15th of April. The vote was not canvassed by the governor and council of Massachusetts until the 23d of that month. The figures which are published in the Congressional Directory are newspaper figures and are incorrect. I have sent for the corrected figures.

Mr. ROBERTS of Massachusetts. Will the gentleman yield?

Mr. MITCHELL. Yes.

Mr. ROBERTS of Massachusetts. Did the gentleman submit those figures to the printing committee for insertion in this Congressional Directory?

Mr. MITCHELL. I sent the figures——

Mr. ROBERTS of Massachusetts. Will the gentleman please answer the question. Did the gentleman submit those figures?

Mr. MITCHELL. I will answer the gentleman's question. I sent the correct figures to some person who has charge of the publication of this book. I do not know who that person is, because I have not been here long enough to find out. The corrected figures are absolutely as I stated them. I won by 4,400 plurality. There was only a difference of 1,140 votes. In other words, the Republican and Progressive candidates received only 1,140 more votes than I received.

Mr. LANGLEY. That still makes the gentleman the minority Congressman.

Mr. MITCHELL. Now, let me call the attention of the House to this fact: The gentleman states that I am not representing the sentiment of my district and Commonwealth. In the gentleman's own district last fall the Democratic candidate, Mr. Rowland, received 8,732 votes and the Progressive candidate received 7,634 votes as against 14,020 votes received by the gentleman from Massachusetts. In other words, the Democratic and Progressive candidates received more votes than the gentleman did. [Laughter and applause.]

Mr. LANGLEY. But the Progressive vote in that district was a protection vote.

Mr. SHACKLEFORD. Mr. Chairman, I rise to a point of order. The gentleman from Kentucky should first address the Chair.

Mr. MITCHELL. I do not yield.

The CHAIRMAN (Mr. SAUNDERS). The gentleman declines to yield. The committee will be in order.

Mr. MITCHELL. Mr. Chairman, in this nonessential part of this debate the gentleman says that I have been trying to misrepresent him and am stating what is false upon the floor of this House. Not only in that nonessential has the gentleman misrepresented me, but the gentleman misrepresents me when he said I am a free trader, and the gentleman knows that that is absolutely untrue, unfounded, and unjust. [Applause on the Democratic side.] Who raised the tariff issue in the recent contest? The junior Senator from Massachusetts, aided by the gentleman from Michigan [Mr. FORDNEY], a member of the Ways and Means Committee. They laid aside their important duties in the city of Washington and journeyed back to the thirteenth congressional district, and the junior Senator from Massachusetts remained for 10 days in that congressional district, and he raised the tariff issue. He raised the same issue that had been raised by the senior Senator from Massachusetts for, lo, these many years. They raised the issue when Mr. Foss was a candidate in the fourteenth congressional district. They said, "Elect him to Congress and you will close the doors of the great factories of the Commonwealth, and you will throw upon the streets of Massachusetts our honest workingmen." They have raised that issue in every congressional contest. The Republican leaders have been fooling the people so long that the gentleman himself, when he alluded to the fact that I am endeavoring to bluff the Members of this House, brings to my mind that the gentleman himself is a bluff Representative and does not represent the real sentiment and interest of the people of our great Commonwealth. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman has expired; all time has expired, and the pro forma amendment will be withdrawn.

The Clerk read as follows:

G. Subsection 3. That any judge of any district or circuit court of the United States, within the proper district, before whom complaint in writing of any violation of the two preceding sections is made, to the satisfaction of such judge, and founded on knowledge or belief, and if upon belief, setting forth the grounds of such belief, and supported by oath or affirmation of the complainant, may issue, conformably to the Constitution, a warrant directed to the marshal or any deputy marshal in the proper district, directing him to search for, seize, and take possession of any such article or thing mentioned in the two preceding sections, and to make due and immediate return thereof, to the end that the same may be condemned and destroyed by proceedings, which shall be conducted in the same manner as other proceedings in the case of municipal seizure, and with the same right of appeal or writ of error.

Mr. PETERS. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 202, lines 24 and 25, by striking out the words "judge of any district or circuit court," and insert in lieu thereof the words "circuit court or district judge."

The question was taken, and the amendment was agreed to.

Mr. HOBSON. Mr. Chairman, I move to strike out the last word——

Mr. PALMER. Mr. Chairman, I ask unanimous consent that all debate on this subsection and all amendments thereto close in 10 minutes, 5 minutes to go to the gentleman from Alabama [Mr. HOBSON] and 5 minutes to the gentleman from Washington [Mr. BRYAN].

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent that all debate on this subsection and amendments thereto may close at the expiration of 10 minutes.

Is there objection? [After a pause.] The Chair hears none. The gentleman from Washington [Mr. BRYAN] is recognized for 5 minutes.

Mr. BRYAN. Mr. Chairman and gentlemen, the real lesson of this Massachusetts fight has been overlooked. It has not yet been brought out in this debate, and it is for the purpose of impressing upon Members of this House the real thing that happened in Massachusetts that I have insisted on having a few minutes of time.

There were three candidates. One of them, Cutting, the Republican, was for the Payne-Aldrich tariff, a man who was a reactionary, and who stood for reactionary principles. Then there was White, the Progressive, who stood against the Payne-Aldrich tariff bill, and MITCHELL, the gentleman sitting here, who was for the Underwood bill.

There was no combination in that campaign between the Progressives and Republicans. They were as far apart as the east from the west, and not associated together in any sense. Mr. White denounced the Payne tariff and the Republican Party, and especially announced that he was opposed to that kind of protection, and that he stood for a revision downward of the tariff, and for an immediate revision downward. And I heard him quote from that very correct article of that very correct author, Sam Blythe, in the Saturday Evening Post, "Verdict—Suicide," wherein Blythe had said that the Republican Party had committed suicide, and he referred especially to that section of the article where it was stated that the leaders of the Republican Party had deliberately gone into a room in Chicago and turned on the gas and committed suicide, as he termed it. And Norman H. White said he did not stand for the continuance of the protective policies by the Republican Party as that party had been practicing them.

Mr. MITCHELL plainly stated that he was for the Underwood bill. That is true, as he has said here. What was the result? The result was that the Republican Party received 8,843 votes and that there were 18,579 votes against the Republican Party. [Applause on the Democratic side.] They were not for the Republican Party, and I for one at this moment want to protest with all the force there is in me against this talk about a combination between the Progressives and the Republicans. We do not belong to the old Republican Party. We have nothing to do with it.

Mr. PAYNE. We do not feel badly about it.

Mr. BRYAN. You, sir, would feel badly about yourself if the people who have been robbed by the Payne tariff could get at you. Repeatedly Mr. White in that campaign raised the issue of the protective tariff as it had been proposed by the Republican Party, and he denounced it with all the force there was in him, and he said that if he was elected he would stand for a reduction of the tariff and for a tariff board and for all that the Progressive Party's platform stood for.

Let us analyze the vote at this election. Be it remembered that this is the first election since November in the country wherein a national issue was involved, which might be used as a basis on which to determine whether the Progressive Party vote was holding its own. Here are the figures:

	Vote.		Loss.	Percentage of total vote.		Percentage of loss.
	1913	1912		1913	1912	
Democratic	12,901	13,583	4,682	47.0	38.5	5.1
Republican	8,843	15,934	7,091	32.2	45.0	44.5
Progressive	5,678	5,853	175	20.7	16.5	2.9
Total	27,422	35,370	7,948	.....	.....	.....

Now, then, I do not claim that there was any candidate in that campaign who was for free trade, and I know enough, and you all know enough, about this bill to know that there is no issue of free trade before this Congress at this time. There is no such thing here. The Underwood bill is not for free trade, and there is nobody here who is going to vote for free trade at this time. [Applause on the Democratic side.] It was that mighty force and that determination on the part of the people of Massachusetts to overturn the Republican Party and put it out that piled up this immense vote; and although the vote of the Republican Party was divided, the Republican Party could not possibly have won. [Applause on the Democratic side.]

Now, then, I want to say that the time has come for us, the Progressives of this country, to let the old Republican Party know, here in Congress, and let its Representatives in Congress know, that we have nothing to do with them. [Laughter and applause on the Democratic side.]

Why, you Republicans now claim that your party is in favor of an income tax. When the income-tax-amendment resolution was up for consideration you opposed it, and the gentleman from New York [Mr. PAYNE] especially, who said he was opposed to it except as a war measure. He does not believe in it at this moment. The RECORD shows that he made a speech about it and said he was going to vote for the resolution to submit the question to the States, but that he did not favor the levying of an income tax for ordinary revenue. Mr. FORDNEY voted against submitting the income-tax proposition to the people, and Mr. GARDNER voted against submitting it to the people, and Mr. Calderhead voted against submitting it to the people, and Mr. McCall voted against submitting it to the people, and Mr. WEEKS voted against submitting it to the people, and Mr. Hill voted against submitting it to the people, and Mr. MOORE here was not present. [Laughter on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Washington has expired. All time has expired on this paragraph. The pro forma amendment will be considered withdrawn. The Clerk will read.

Mr. BRYAN. I have a lot more valuable ammunition. [Laughter and applause.]

The Clerk read as follows:

H. Subsection 1. That the importation of neat cattle and the hides of neat cattle from any foreign country into the United States is prohibited: *Provided*, That the operation of this section shall be suspended as to any foreign country or countries, or any part of such country or countries, whenever the Secretary of the Treasury shall officially determine, and give public notice thereof, that such importation will not tend to the introduction or spread of contagious or infectious diseases among the cattle of the United States; and the Secretary of the Treasury is hereby authorized and empowered, and it shall be his duty, to make all necessary orders and regulations to carry this section into effect, or to suspend the same as herein provided, and to send copies thereof to the proper officers in the United States and to such officers or agents of the United States in foreign countries as he shall judge necessary.

Mr. MANN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] moves to strike out the last word.

Mr. MANN. I am sorry to have to inject any partisan politics into the debate, but the gentleman from Washington [Mr. BRYAN], holding up his right hand with considerable dramatic effect, just stated that the Progressives had no participation with the Republicans; that they were entirely separated from the Republicans; that there was no connection between the Progressive Party, or the members of the Progressive Party, and the Republicans.

I have been wondering for some time what constituted the Progressive Party in the House. As the Republican floor leader, I shall have a word to say with reference to the committee selections of Republicans. I have not been able yet to ascertain which gentleman it would be necessary for me to take into consideration. [Laughter.]

Mr. BRYAN. You do not need to mention my name, sir. [Laughter.]

Mr. MANN. The gentleman is not the whole party. He is his own party. [Laughter.]

I notice by the official list of Members which is issued, which conforms with the biographies furnished by themselves, that there are not 19 Progressives in the House, as claimed, but 9; and while the gentleman from Washington [Mr. BRYAN] says that the Progressive Party is entirely separated from the Republican Party, I notice that the gentlemen themselves say that there are 7 Progressive Republicans [laughter], and that the other three members of the Progressive Party put themselves—mark you, put themselves, and do it themselves—down in the directory as "Republicans."

Now, perhaps the gentleman from Washington, before he attempts to speak for the Progressive Party—unless he has been selected as the leader of the 9 Progressives—had better ascertain where the other 10 are [laughter], because he does not find that of the 19 a majority even are willing to label themselves "Progressives," and half of them, nearly, insist upon keeping the word "Republican" along with the word "Progressive," while the balance claim to be wholly Republican.

The gentleman from Washington [Mr. BRYAN], who came into the Progressive Party or into the Republican Party recently, I believe, from the Democratic Party [laughter], is not able, perhaps, to tell where the real Republicans who went out with the Progressives will land in the end, but I am quite sure that while the gentleman from Washington will gradually gravitate and suddenly fall into the Democratic ranks, the remainder of the Progressive Party will gradually fall into the Republican Party, there being no possibility in the end of maintaining three great parties in the country striving for real supremacy. [Applause on the Republican side.]

Mr. MONDELL. Mr. Chairman, I offer an amendment.

Mr. UNDERWOOD. Mr. Chairman, I should like to see if we can agree on debate. I should like to finish the bill to-night. I do not want to cut off the political debate unduly, but I think we have carried it to the extreme limit now. I do not like to raise points of order against gentlemen. I hope they will let the bill run along and debate the actual paragraphs of it, for a while at any rate. I suppose the amendment of the gentleman from Wyoming [Mr. MONDELL] is a substantive one.

Mr. MANN. I will say to the gentleman from Alabama that during his absence we have been having a very merry time. [Laughter.] The bill has not been referred to, with one exception.

Mr. UNDERWOOD. I will have to insist for a while on maintaining the rules of the House. Mr. Chairman, I ask unanimous consent that the debate on this paragraph and all amendments close in 10 minutes.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that the debate on this paragraph and all amendments thereto close at the expiration of 10 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Wyoming [Mr. MONDELL] offers an amendment, which will be reported by the Clerk.

The Clerk read as follows:

On page 204, at the end of line 5, insert the following as a new paragraph:

"That the importation of fresh, chilled, frozen, cured, or salted meats or meat food products from any foreign country into the United States is prohibited: *Provided*, That the operation of this paragraph shall be suspended as to any foreign country or countries, or any parts of such country or countries, whenever the Secretary of the Treasury shall officially determine, and give public notice thereof, that such country or countries, or any parts thereof, have made suitable provision to guard against the exportation to the United States of meats and meat food products which are diseased or unfit for human consumption, by an inspection, at the places of slaughter and preparation, of all meats for export to the United States in substantial conformity with the provisions of the meat-inspection act embraced in the agricultural appropriation bill, June 30, 1906, and amendments thereto; and the Secretary of the Treasury is hereby authorized and empowered, and it shall be his duty, to make all necessary orders and regulations to carry this paragraph into effect, with a view of preventing the importation of meats or meat food products not inspected and passed as aforesaid, and not plainly marked so as to indicate the country of their origin and the condition in which they are imported, whether fresh, chilled, frozen, cured, salted, or otherwise preserved."

Mr. MONDELL. Mr. Chairman, this amendment is somewhat in the line of an amendment offered by the gentleman from Iowa [Mr. GOOD] to a previous paragraph of the bill. This amendment follows a paragraph providing for an inspection of hides, and provides for an inspection at points of slaughter of live stock intended for export to the United States in substantial conformity with the provisions of our meat-inspection law.

The gentleman from Alabama [Mr. UNDERWOOD], in reply to the argument of the gentleman from Iowa [Mr. GOOD] with regard to a similar provision, said that if there was any necessity for a provision of this character, that necessity constituted an indictment against the Republican Party for not having made some such provision heretofore. Well, there has been a limited importation of meat up to this time, but under free meat our Democratic friends expect to have the country swamped with meat from the Argentine and from Australia. It is already beginning.

In anticipation of what is going to happen, cargoes are in preparation now in Australia, and it seems to me that it is not a good argument or a sound argument against the amendment that we have not made such provision heretofore when there were few imports. Why, the gentleman might as well argue that we should not change any of the rates in the Payne bill because the law has been thus and so in the past, and it should remain so. I understand the gentleman is trying to improve the legislation of the country along all lines, and I offer this in the very best of faith, in the hope that it will be accepted.

I think it is important that foreign meats coming to the United States shall be inspected at the point of slaughter as our meats are inspected here. We all realize that the present inspection at the port of entry can not by any possibility determine the question of the healthfulness of the animal at the time it was slaughtered. The meat of a tuberculous animal after it has been killed and frozen gives no evidence of its dangerous or its diseased character. Hence the necessity, for the protection of the lives and health of our people, that we shall have a provision of this character. I hope the gentleman will accept the amendment.

I do not offer this amendment because I approve of free meats, for I do not, but I offer it because if we are to have free meats we should have clean and healthful meats.

The country does now and always will depend largely upon the great West for its meat products, and those in that region who are familiar with and engaged in the business of growing live stock, without regard to party, these men protest against the provisions of this bill relating to live stock and meat products. I present a statement signed by the officers of eight western live-stock associations, representing most of the stock raisers of the West and Pacific coast, protesting against the live-stock and meat provisions of this bill.

SCHEDULE G.

LIVE STOCK AND MEAT PRODUCTS.

WASHINGTON, D. C., *May 5, 1913.*

The honorable Finance Committee of the United States Senate:

The undersigned, representing the live-stock industry of the United States, and particularly of the West and Central West, respectfully urge the retention of a fair and reasonable duty on live stock and meat products. We are willing to stand some reduction in the present duties, but we vigorously protest against the placing of our products on the free list.

The United States is to-day producing all the meat needed for home consumption. The much talked of shortage of cattle is only an absence of the surplus that was formerly exported. This falling off in the production of beef animals is the natural result of the depressed prices that generally prevailed from 1885 to 1910. During that period there was no attraction for capital in the cattle business; indeed, the capital already invested seized every opportunity to get out, and many large and small holdings in the range districts were liquidated as soon as prices permitted doing so with some profit, or at least without any loss.

During the past two years, under the stimulus of better prices, there has been and is a widespread return to the business of cattle breeding. Thousands of farmers and ranchmen, both in the corn belt and in the range section of the West, are establishing breeding herds—generally on a small scale.

On the Chicago market Monday, May 5, 1913, the highest price paid for beef cattle was more than $2 per hundred less than the highest price prevailing in September, October, November, and December, 1912.

The result of the free admission of meats from other surplus countries would be, first of all, to discourage those who have just embarked in the live-stock business or who contemplate doing so. Cows and calves would again be thrown on the market from all parts of the country, and if prices were forced to the level of Argentinian beef or Australian mutton the business of stock raising would be so unprofitable that this country would soon cease to produce its own meat. The result of this would be disastrous, not only directly as diminishing the income of the live-stock producer, but indirectly as destructive of the fertility of the soil of thousands of farms.

Many of the breeders and feeders in the corn belt are stocked up with high-priced breeding and feeding stock, and any pronounced depression in prices would cause tremendous financial loss to them.

The American packers, Armour, Swift, and Morris, each have large plants in Argentina. They handle 39 per cent of the export trade of South America. Two of them are building large plants in Uruguay. Swift & Co. is now building a plant in Brisbane, Queensland. There are now three plants in Canada operated by these same American packers. (See consular reports.)

In Special Agent Series No. 43 of the Bureau of Manufactures of the Department of Commerce and Labor, December 15, 1910, it was stated: "Chicago meat companies entered this field (Argentina) only seven years ago, but have already attained such a position that they are a decided, if not a dominating, influence in the progress of the trade and the control of prices."

The American packers are the only concerns who have distributing agencies in this country, and consequently are the only companies in a position to import meat. The proposition that to place meat on the free list would result in curbing the so-called Beef Trust is therefore preposterous. The big packers of this country are slaughtering a less percentage of the total slaughter in this country than 10 years ago. Whatever control they have over prices in this country would be increased instead of lessened by free meats.

The capacity of the United States for the production of live stock has not been reached. The present output could probably be doubled. Remunerative prices will bring this about. Unprofitable prices will result in a decreased production.

On the prosperity of the agricultural and live-stock industries depend the real progress and prosperity of this Nation. To transfer a part of the business of furnishing meat and other food for this Nation to other countries will seriously injure our agricultural industry and disturb not only our domestic conditions here, but our international trade balance as well.

We are in favor of an equal duty on meat and live stock, and that duty should not be less than 15 per cent ad valorem in order to be fair and equitable to the live-stock and farming interests of this country.

We refer to and make a part of our plea the brief of the American National Live Stock Association, by its attorney, S. H. Cowan, before the Ways and Means Committee on January 21, 1913. This protest is filed with your committee by the undersigned live-stock men now in Washington on account of the decision of the Finance Committee not to grant any oral hearing.

American National Live Stock Association (representing 65 State and local live-stock associations); T. W. Tomlinson, secretary; S. H. Cowan, attorney; J. H. Nations (El Paso, Tex.), L. F. Wilson (Kansas City, Mo.), John MacBain (Trinidad, Colo.), H. S. Stephenson (Los Angeles, Cal.), members of executive committee. National Wool Growers' Association (representing 32 sheep and wool growers' associations); S. W. McClure, secretary. Cattle Raisers' Association of Texas; W. W. Turney and I. T. Pryor, vice presidents. Panhandle and Southwestern Stock Men's Association; W. B. Slaughter, president. Corn Belt Meat Producers' Association; A. Sykes (Des Moines, Iowa), president; Charles Goodenow (Wall Lake, Iowa), Joseph Eisele (Malcolm, Iowa), members of executive committee. Western South Dakota Stock Growers' Association; F. M. Stewart, secretary. Arizona Cattle Growers' Association; John P. Orme. California Wool Growers' Association; F. A. Ellenwood, secretary.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. UNDERWOOD. I ask for a vote, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. MONDELL].

The question being taken, the Chairman announced that the noes appeared to have it.

Mr. MANN. I ask for a division, Mr. Chairman.

The committee divided; and there were—ayes 33, noes 64.

Mr. MANN. I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. MANN and Mr. UNDERWOOD.

The committee again divided, and the tellers reported that there were 51 ayes and 107 noes.

So the amendment was lost.

The Clerk read as follows:

I. That all goods, wares, articles, and merchandise manufactured wholly or in part in any foreign country by convict labor shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited, and the Secretary of the Treasury is authorized and directed to prescribe such regulations as may be necessary for the enforcement of this provision.

Mr. MOORE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 204, line 12, after the word "labor," insert a comma and add "or by labor employed more than eight hours a day."

Mr. MOORE. Mr. Chairman, this amendment proposes to prohibit the importation into the United States of all goods, wares, and merchandise manufactured in any foreign country by labor that is employed more than eight hours a day. We have eight-hour laws in the United States which are respected, and manufacturers are compelled to observe the eight-hour rule. The eight-hour day is advocated by labor unions, and under the provisions of this bill without the restriction that I propose it will be possible to admit into this country goods valued at hundreds of millions of dollars that have been made by foreign cheap labor working more than eight hours a day in competition with American labor.

Mr. CURLEY. Will the gentleman yield?

Mr. MOORE. Yes.

Mr. CURLEY. I was not aware of any State in the Union where they had an eight-hour law for manufacturers. I assumed that Massachusetts was the leader, and hers is a 54-hour law. I ask the gentleman to name any State where there is an eight-hour law for manufacturers.

Mr. MOORE. First, we have the Federal law, and the gentleman near me refers to the State of Washington. There are a number of industries in which the eight-hour day is enforced, Government contract work in particular.

Mr. MANN. Will the gentleman from Pennsylvania yield?

Mr. MOORE. Yes.

Mr. MANN. Does the gentleman from Pennsylvania think that in the course of time the gentleman from Massachusetts will ever learn that Massachusetts is not the whole show? [Laughter.]

Mr. MOORE. There will come a time, I suppose, when he will.

Mr. MANN. Not in our lifetime. [Laughter.]

Mr. CURLEY. He has not yet.

Mr. MOORE. Mr. Chairman, I would like to know if the gentleman denies that the sentiment of labor unions in this country is for an eight-hour day, and if in many States it is not actually in force?

Mr. CURLEY. I would say in reply that everybody is in favor of more humane legislation in the hours of labor. I want to know of a State in which an eight-hour law for manufacturers is in operation.

Mr. MOORE. I will say in the state of humanity, which the gentleman alludes to. The eight-hour day is the rule in this country to-day. It is what organized labor is striving for, and it is the slogan of the American Federation of Labor. When Mr. Gompers was a journeyman cigar maker they put it into prose—

Eight hours for work, eight hours for play, eight hours for what you will.

I want to apply that to the men that manufacture goods on the other side of the water in competition with us.

Mr. CURLEY. You have not even a nine-hour day in Pennsylvania.

Mr. PAYNE. Will the gentleman from Pennsylvania yield?

Mr. MOORE. Yes.

Mr. PAYNE. I want to suggest that if by any possibility the gentleman's amendment should be voted down he might offer it in the form of nine hours a day. That would be better than nothing, and perhaps we might catch the unique vote of the gentleman from Massachusetts. [Laughter.]

Mr. MOORE. If I fail to have this eight-hour amendment passed, I think it would be well for gentlemen on the other side who believe in raising the limit a little to propose an amendment that would make it nine hours a day. I do not think the gentlemen on the other side are going to run away from it, because at the last session gentlemen there were applying the eight-hour day and saying how they were going to give it to the workingmen of the country, how they were going to conform to the desire of labor unions, how they were going to give the common people of the country what they wanted—a little time for pleasure and the ordinary entertainments. I am now giving them an opportunity to vote for what they pretended they were for last session and the session before.

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

Mr. MOORE. Yes.

Mr. DONOVAN. For an observation merely. I do not believe that 10 out of the 435 Members of this House dare say before election that they are opposed to an eight-hour law.

Mr. MOORE. Mr. Chairman, I think the gentleman is entirely right, and I want to say that the gentleman has been more right through the whole course of this debate than many of his colleagues, because he has seen the light and understands what the working people want.

Mr. UNDERWOOD. Mr. Chairman, I move that all debate on this paragraph do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE].

The question was taken; and on a division (demanded by Mr. MOORE) there were—ayes 38, noes 73.

So the amendment was rejected.

Mr. MOORE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 204, after line 16, insert a new paragraph, as follows:

"J. That all goods, wares, articles, and merchandise manufactured wholly or in part in any foreign country by labor receiving less than the union rate of pay for the same kind of labor in the United States shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited, and the Secretary of the Treasury is authorized and directed to prescribe such regulations as may be necessary for the enforcement of this provision."

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this amendment close in five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MOORE. Mr. Chairman, it having developed in the action just taken that the Democratic Party in this House is unitedly against an 8-hour day, and is not in favor of giving the American union workingman protection against cheaper foreign labor that works 9 hours, 10 hours, 11 hours, "or any other old time," I offer this amendment, with a view of giving the Democratic friends of the workingman on the other side, and particularly the Democratic friends of organized labor men, an opportunity to vote for a measure which proposes to establish a foreign union rate of wages that will comport with the wages maintained in the United States. It is manifestly unfair that the Democratic Party in changing the fiscal policy of the Nation and instituting the doctrine of free trade should make the American workingman compete with cheap labor and permit foreign-made material to come into the United States, when the men who have made it work for less than the union wage in every one of the corresponding trades in this country.

We have heard here from both sides of the House that the wages paid in Germany and in England, where the workingmen are as well organized as they are in the United States, are from one-half to one-third less than they are in the United States. In the matter of the cigar makers, whose appeal a little while ago you voted down on that side of the House, we heard that the pay which their competitors receive in the Philippines for making cigars, which you propose to send free into the United States, is one-fourth the pay of the cigar makers in the United States. Now, it would seem that the friends of union labor on the other side of the aisle, who have made this their stock in trade, would in this instance, when they have an opportunity to guarantee protection to American union organized labor against unfair competition with foreign labor, welcome the chance to do so.

Surely the new fiscal system which you are inaugurating is not intended solely to aid the Steel Trust, the Tobacco Trust, the International Harvester Co., and other combinations to transfer their business over to Canada or to Europe to get cheap labor. The workingmen in the United States are entitled to as much consideration as those of any other country. They

ought not to be driven into Canada or Germany or England to do American work for us there. And I hope they will not be. Gentlemen, this seems to me to be the opportunity of a lifetime for you to stand by your pledges.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. MOORE) there were—ayes 31, noes 80.

So the amendment was rejected.

The Clerk read as follows:

J. Subsection 1. 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. PAYNE. Mr. Chairman, the Members of the House will recognize this paragraph as an old friend, for it has been in the tariff law a great many years under the limitation of the provisions of treaties and conventions. It has not any particular force at the present time, but it involves principles so abhorent to the gentleman from Alabama that I wondered he allowed it to go into this bill. He refused to have a maximum and minimum tariff in his bill because he says that that would threaten the nations of the earth with a club, and hence he would not impose a maximum duty of 25 per cent or 10 per cent more than the ordinary duty, but, still, he has put in here a discriminatory duty of 10 per cent on all imported merchandise that comes into this country under a foreign flag with a proviso as to the treaties and conventions that we have with other countries. Now, these treaties and conventions render this paragraph entirely innocuous so long as they exist, but if you turn over a couple of pages of the bill he seems to have disregarded these treaties and conventions. J. Subsection 7 provides:

That a discount of 5 per cent on all duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels admitted to registration under the laws of the United States.

Now, that is positively new legislation that he has put into this bill, and it is legislation that is in contravention of those treaties that provide against discrimination in the matter of goods brought in foreign vessels in comparison with those brought in vessels of the United States. They violate the treaty by putting that section in the bill.

Mr. MARTIN. Will the gentleman yield?

Mr. PAYNE. Certainly.

Mr. MARTIN. I suppose under this general discriminatory clause we have treaties and conventions with practically all the commercial countries, have we not?

Mr. PAYNE. Yes; all of them.

Mr. MARTIN. Do they extend for a series of years into the future?

Mr. PAYNE. Well, they extend until they are abrogated.

Mr. MARTIN. Now, would not the effect of subdivision 7 be to reduce the tariff 5 per cent ad valorem on all goods imported from those countries from which we have conventions?

Mr. PAYNE. Certainly.

Mr. MARTIN. So it is another way of cutting down the duties under the present bill?

Mr. PAYNE. It is a discriminatory duty in favor of the vessels of the United States as against foreign vessels on all these goods coming from these same countries. How any gentleman can say it is not in violation of the treaty is something I can not imagine. It is in direct contravention of the treaty. Now, I do not know that we repeal a treaty by this law of Congress, but I have the notion we can. I have a further notion that if we pass this law we will have to give up that which is under these treaties, for we did not give away something for nothing when we made these treaties. There are other matters embraced in those treaties that are very advantageous to the United States.

Mr. FITZGERALD. Is the gentleman sure this modifies any treaties?

Mr. PAYNE. I am not trying to modify the treaty or anything of the kind.

Mr. FITZGERALD. I asked if the gentleman believed that this provision modifies any treaty?

Mr. PAYNE. Oh, yes; I think it does, without any question, because it is a discrimination.

Mr. FITZGERALD. Discrimination against what?

Mr. PAYNE. Against foreign goods in favor of the United States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PAYNE. All my time has gone answering these questions.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that all debate——

Mr. MANN. I want a little time, and the gentleman from Washington wants some little time, and the gentleman from Minnesota wants some time.

Mr. UNDERWOOD. I would like to dispose of section J if we can come to an agreement as to time. How much time on section J does the gentleman desire?

Mr. MANN. On all of J, all the subsections?

Mr. STEVENS of Minnesota. I have an amendment I desire to offer.

Mr. MANN. We are asking for 35 minutes.

Mr. UNDERWOOD. I hope the gentleman can get along with less; the gentleman controls the time. Can not he yield less time? We want to get through to-night.

Mr. MANN. Well, section J covers seven subsections. That would be less than five minutes to a subsection.

Mr. UNDERWOOD. How much time does the gentleman say he wants?

Mr. MANN. Thirty-five minutes.

Mr. UNDERWOOD. I ask unanimous consent, Mr. Chairman, that debate on all of section J close in 45 minutes, 35 minutes to be controlled by the gentleman from Illinois [Mr. MANN] and 10 minutes by myself.

Mr. MANN. In order that these amendments may be offered I suggest that gentlemen may be permitted to offer amendments to the entire paragraph of section J, so that they will not be cut out, or to any of the subsections of section J.

Mr. UNDERWOOD. And have them pending and voted on at the end?

Mr. MANN. Yes.

Mr. UNDERWOOD. Mr. Chairman, I find there is a little more time wanted on this side, and I ask unanimous consent that debate close in 50 minutes, and any gentleman having the floor may offer an amendment and have it pending until the close of the debate.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that debate on section J close in 50 minutes, 35 minutes to be controlled by the gentleman from Illinois [Mr. MANN] and 15 minutes by the gentleman from Alabama [Mr. UNDERWOOD], and that gentlemen obtaining the floor may have the right to offer such amendments to section J and subsections thereof as they may desire. Is there objection?

There was no objection.

Mr. UNDERWOOD. Mr. Chairman, I yield to the gentleman from Missouri [Mr. SHACKLEFORD].

[Mr. SHACKLEFORD addressed the committee. See Appendix.]

Mr. UNDERWOOD. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. SISSON].

[Mr. SISSON addressed the committee. See Appendix.]

Mr. UNDERWOOD. Mr. Chairman, I will ask the gentleman from Illinois [Mr. MANN] to consume some of his time. A gentleman to whom I wish to yield is not here.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Mr. Chairman, on page 207, subsection 7, of the present bill, it is proposed to give a discount of 5 per cent on all duties imposed upon goods carried in American vessels. This is the same old proposition that the Democratic Party has brought before this House on several occasions. It will be noticed that it is a proposition to reduce the duty upon dutiable goods carried in American vessels, but it does not give anything for goods carried in American vessels that are upon the free list. The free list now contains a large part of our imports. Under this bill the free list will be still larger. Seventy-eight per cent of the goods that we import from South America is now upon the free list. Forty per cent of the goods we import from the Orient is upon the free list. These statements are sufficient to show the utter absurdity of trying to build up trade between here and South America, and between here and the Orient, by a discriminating duty of 5 per cent. A little further on I will give some detailed figures upon this proposition.

The distinguished gentleman who is now Speaker of this House one time when this very proposition was under discussion paid me the compliment of saying that I was the best-

known proponent of ship subsidy in this body. But I am not in favor of a subsidy such as is proposed in the section referred to. No Republican can be for such subsidy. The Republican Party never favored a subsidy of this character. A short time ago we were entertained by several distinguished gentlemen on the Democratic side of this House, whose indignation was greatly aroused because it was proposed to let American vessels in the coastwise trade pass through the Panama Canal without the payment of tolls. They opposed it upon the ground that the remission of such tolls was a subsidy. I see several of those gentlemen before me now; notwithstanding their speeches and declarations, they are ready to vote for this proposition in this bill. And what does this provision propose to do? It proposes to subsidize three classes of vessels. First, those built in foreign yards by foreign cheap labor and manned by cheap Chinese crews. Second, those vessels that are owned by railroads and manned by Chinese crews. Third, those vessels that are already receiving a subsidy under the subsidy act of 1891. And all these vessels are in a combination that fixes rates by agreement. These three classes will receive practically all of the subsidy that would be paid under this provision. I challenge any man to dispute the correctness of that statement. The Republican Party has never offered a bill to subsidize foreign-built ships. It has never offered a bill to subsidize any vessels manned by Chinese crews. It has never offered a bill to subsidize any vessel without requiring that vessel to perform valuable services for the Government. The subsidy offered under this proposition in this bill is a mere gratuity. Nothing whatever is required from the vessel that receives it. I wish for a moment to leave this feature of the proposition and call your attention to those bearing upon our treaties.

We have a treaty with practically every commercial nation of the world except four, whereby we agree to treat their vessels, so far as imports are concerned, in exactly the same way that we treat our own. I will read this section from the most recent treaty upon this subject—the one we entered into with Japan on February 1, 1911:

All articles which are or may be legally imported into the ports of either high contracting party from foreign countries in national vessels may likewise be imported into those ports in vessels of the other contracting party without being liable to any other or higher duties or charges of whatever denomination than if such articles were imported in national vessels. Such reciprocal equality of treatment shall take effect without distinction, whether such articles come directly from the place of origin or from any other foreign place.

We have a similar treaty with every commercial nation except Russia, Brazil, Chile, and Peru. So if this bill goes into effect the result of it will be that we will discriminate against the vessels of the four nations named, while the vessels of all the other nations of the world can bring goods into this country, and will pay but 95 per cent of the duties prescribed in the bill. In other words, we propose to discriminate against three of the nations of South America, where we especially desire to build up our trade, and this discrimination would chiefly affect Brazil. Brazil runs a line of vessels to this country, and this section would be a discrimination against Brazil that would be greatly felt, and yet Brazil is the most friendly nation to us in the world, and has recently passed a law giving us an advantage in many of our products not given to any other nation of the world. In other words, this section of the bill simply proposes to further reduce the tariff 5 per cent upon all goods brought into this country, except those brought in vessels belonging to Russia, Brazil, Peru, and Chile.

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

The CHAIRMAN. Does the gentleman from Washington yield to the gentleman from Missouri?

Mr. HUMPHREY of Washington. Yes; for a question.

Mr. ALEXANDER. I do not care to intervene in this discussion, but I want to say that in my opinion this provision in its present form does not abrogate any treaty with any foreign nation.

Mr. HUMPHREY of Washington. That is just what I say. It does not abrogate a treaty with any nation, and therefore it will not affect those nations with which we have a treaty.

Mr. ALEXANDER. Its effect will be to permit the entry of goods into our ports by the nations with which we have treaties at the same rates as goods brought from abroad in American ships.

Mr. HUMPHREY of Washington. That is my opinion. This bill as it now stands will discriminate only against those four nations that I have enumerated, not against the other nations of the world.

If ever there was a legislative attempt to deceive the people, it is found in this section that pretends to assist American shipping by giving a reduction of 5 per cent in favor of goods carried in American bottoms. But suppose, for the sake of argument, that we admit that this section will give a 5 per cent reduction upon goods carried in American vessels, and that all goods carried in all foreign vessels will pay the full duty. Still it is an absurdity, and will be of no real effect whatever. It will not be sufficient to cause a single American ship to be constructed in any American yard. It will not be sufficient to cause a single American vessel to make an additional trip. It will simply be a gratuity, whatever it amounts to, given to the classes of vessels that I have already enumerated.

BETWEEN HERE AND EUROPE.

Take, for illustration, the effect that this bill would have between here and Europe. An average vessel with an average cargo would receive about $2,000 for the round voyage. This is a sum that is entirely insignificant as far as fast mail vessels are concerned. For this purpose it would amount to nothing whatever. It might increase to some extent the earnings of some of the small tramp vessels between here and Europe that were built in foreign yards and would take American registry and run with Chinese crews. So far as I am concerned, I do not care for an American merchant marine that is built by foreign cheap labor, manned by foreign cheap crews, and I shall never favor giving direct assistance to that class of vessels, and that is mainly what would be accomplished by this bill. I had hoped to have the exact figures as to the effect this section of the bill would have upon vessels running between here and Europe, but, unfortunately, the Treasury Department has not been able to get these figures to me in time for use in this debate.

ON THE PACIFIC.

As to the effect that this section would have upon shipping on the Pacific Ocean, we do not have to guess. Here I have the exact figures. I know it is hardly kind to puncture the glowing prophecies of what the effect of this section would be by citing the facts. In presenting the figures I assume that the vessel would receive the entire 5 per cent differential. Of course, in practice this would not be true.

I will first take the vessels of the Pacific Mail. These vessels run from San Francisco via Hawaii to the Orient and occasionally to the Philippines, making a round-trip voyage of 15,000 miles or more. It is well to remember that a Japanese line runs in direct competition with these vessels, and that each of the Japanese ships receives $100,000 in gold from the Japanese Government for each round trip. To overcome this handicap of $100,000 per trip of their competitors what would the Pacific Mail receive under this bill? Here I insert in the RECORD the actual figures as furnished to me by the Treasury Department, which are as follows:

Pacific Mail vessels.

Date of arrival.	Vessel.	Value of goods.	Five per cent of duty paid.
Jan. 7, 1913	China	$324,218.00	$4,450.34
Jan. 14, 1913	Manchuria	990,414.00	9,127.38
Feb. 4, 1913	Mongolia	1,144,037.00	17,693.51
Mar. 3, 1913	Korea	1,005,837.00	12,402.08
Mar. 17, 1913	Siberia	1,162,343.00	9,094.38
Mar. 24, 1913	China	457,534.00	3,939.72
Mar. 31, 1913	Manchuria	1,045,557.00	9,554.93
Total amount of duty paid			66,262.34

In other words, the total amount that would be paid to these magnificent vessels under this bill, if they received it all, would be $66,262.34 annually, while their Japanese competitors would receive for the same number of voyages $700,000, or considerably more than 10 times as much. It should not be forgotten that the Pacific Mail would receive higher compensation under this bill than any other vessels on the Pacific, as they largely command the silk trade, a trade that pays the highest duties.

As a proposition to build up fast lines the absurdity of the provision is here illustrated. The only thing accomplished would be to give the Pacific Mail vessels this gift of $66,262. In order to receive this amount they would not have to perform any additional service whatever. In other words, it is a gratuity, a subsidy.

What would be the effect of the bill upon the only other American vessel upon the Pacific Ocean, the *Minnesota*, the greatest freight and passenger vessel afloat and the vessel that has the unique distinction of being the only one beneath our

flag that is run exclusively in the overseas trade without Government assistance.

I insert here a table of figures furnished me by the Treasury Department that shows exactly what this bill would do for the *Minnesota:*

American steamship Minnesota.

Date of arrival.	Vessel.	Value of goods.	Five per cent of duty paid.
Mar. 1, 1912	Minnesota	$425,572.00	$1,011.24
June 1, 1912	do	577,798.00	562.76
Aug. 30, 1912	do	358,011.00	708.35
Dec. 1, 1912	do	452,615.00	1,084.85
Mar. 24, 1913	do	240,425.00	316.15
Total amount of duty paid			3,683.35

The total amount of assistance that the *Minnesota* would receive under this bill if the entire 5 per cent was paid to it for a year's service would be $3,683, while Japanese vessels comprising an equal tonnage as that of the *Minnesota* for making the same voyages would receive $300,000, or a hundred times as much. It is easy to see how this Democratic bill would enable those who wish to run American vessels from Puget Sound to the Orient to overcome their Japanese competitors. The figures in regard to the *Minnesota* demonstrate the absolute absurdity of this proposition. In the face of these figures it is hard to comprehend how any man can favor this proposition.

SOUTH AMERICA.

But if the figures I have given demonstrate the absolute absurdity of the sham and pretense made by the Democratic Party to deceive the American people in trying to make them believe that that party is really in favor of an American merchant marine, it is much more vividly demonstrated when we turn to South America. As I have already stated, 40 per cent of the imports from the Orient are already on the free list, while 78 per cent of our imports from South America are on the free list. The Treasury Department has just furnished me with some recent figures that demonstrate what the practical working of this section of the bill would be, if enacted into law, between here and South America. No words could demonstrate its utter worthlessness as do these figures. Of course, between here and South America foreign vessels must be used, for there are no American vessels running between this country and South America beyond the Equator. It must not be forgotten also that the compensation received under this bill would be less than 5 per cent under the present law, as there has been a great increase in the free list in the Underwood bill. In other words, the amount that would be received by vessels running between here and South America, if this Underwood bill would become a law, is even less than the amount shown by the tables which I here insert. You will notice that these are official figures, taken from actual transactions:

Names of foreign vessels entered at New York, from ports of South America, during January, 1913, the date of arrival, separate values of cargo, duties paid and secured to be paid.

Vessel.	Arrival.	Merchandise entered free of duty.	Merchandise entered for I. T. & Exp.	Merchandise entered for warehousing.	Merchandise entered duty paid.	Five per cent of duty paid.
Steamship Clyde	Jan. 2	$25,255	$9,495			
Steamship Trojan	do	291,375				
Steamship Zacapa	do	35,076	4,790	$403	$688	$19.80
Steamship Byron	Jan. 3	289,734	13,560		13	.15
Steamship Herm	do	323,656	4,575		4,921	49.20
Steamship Verdi	Jan. 4	676,590	70,855	24,634	128,039	1,644.95
Steamship Mayaro	do	18,991	155,281			
Steamship Pancras	Jan. 6	1,037,986				
Steamship Korona	do	1,460	78,059			
Steamship Westerwald	do	264,252	31,138	4,970		87.00
Steamship Highbury	Jan. 7	656,283	6,250			
Steamship Coppename	Jan. 8	46,936			3,518	130.50
Steamship Almirante	Jan. 10	42,855	1,790	8,506		148.85
Bark Glendovey	Jan. 11	11,390				
Bark Brynhilda	Jan. 13	24,816				
Steamship Albingia	do	97,490	10,020	6,252	40	60.00
Steamship Kelvinhead	Jan. 14	236,538		15,911		243.30
Bark Calburga	do	18,928				
Steamship Maracas	Jan. 15	11,258	106,888	544		13.35
Steamship Thames	Jan. 16	36,598	1,007	7,163	9	125.60
Steamship Benedict	do	1,253,447				
Steamship Santa Marta	Jan. 17	9,646	3,095			
Steamship Canadia [1]	do					
Steamship Guiana	Jan. 18	3,489	53,455			
Steamship Prins Maurits	Jan. 20	28,134	19,320		213	3.75
Steamship Orange Prince	do	875,711	13,050			
Steamship Lord Downshire [1]	do					
Steamship Topajoz [1]	do					
Steamship Altai	Jan. 21	209,416	32,005	6,888		120.55
Steamship Metapan	Jan. 24	24,792	1,245			
Steamship Christopher	do	1,038,880				
Steamship Tennyson	Jan. 25	501,879	5,892			
Steamship Grenada	do	28,094	52,659			
Steamship Suriname	do	29,156				
Steamship Lord Roberts	Jan. 27	59,783	11,064		40,922	556.35
Steamship Asiatic Prince	do	989,753				
Steamship Allemania	Jan. 28	155,229	7,118	3,268		57.20
Steamship Javary	do	15,648				
Steamship Dochra	Jan. 29	264,160	10,002		4,567	45.65
Steamship Trent	do	46,284	24,074	8,906	187	154.00
Steamship Zacapa	Jan. 31	8,723	2,830	1,692		29.69
Steamship Coya	do	201,540	14,813		56	.45
Total		9,891,831	744,330	89,137	183,173	3,490.25

[1] Ballast.

Total value of merchandise entered at New York from ports in South America	$10,908,471.00
Total amount of subsidy that would have been paid under the provisions of the Underwood bill	3,490.25

The above is the amount that would be received by all American vessels if we had a sufficient number to carry our entire trade between here and South America. These figures vividly portray the sublime absurdity of the proposed Democratic subsidy.

Let me give you another illustration. In 1908 our imports from Brazil were valued at $74,577,864. If we had carried all our imports that were from Brazil in American vessels, those vessels would have received for carrying this $74,000,000 worth of goods the munificent sum of $2,877.85. Many of the vessels running between here and South America, carrying cargoes of great value, would not receive a single penny under this bill, as shown by the table already quoted. Nothing could be more ridiculous than this provision as applied to South America. A vessel coming on one of the long voyages from the west coast of South America, with a cargo valued at millions, would receive less for carrying the entire cargo under this proposed Democratic proposition than would a small, cheap tramp vessel, constructed in a foreign yard and manned by a Chinese crew, for carrying a single case of champagne from Europe to this country. The greatest effect of this Democratic subsidy proposition would be to cheapen by 5 per cent the tariff upon luxuries.

Between here and South America, where we most desire to build up our trade, the compensation received under this pro-

vision of the bill would not be sufficient to run a line of Indian canoes. I consider it useless to dwell further upon this proposition. It is apparent to anyone that it is a cheap, ill-concealed attempt to deceive the American people, an attempt to make them believe that the Democratic Party is really in favor of an American merchant marine. This is the only proposition that the Democratic Party has favored as affecting our merchant marine for half a century; and that party would be opposed to this provision if it were of any advantage whatever to American shipping.

Mr. FERRIS. Will the gentleman yield?

Mr. HUMPHREY of Washington. Certainly.

Mr. FERRIS. A year or two ago I read a very able speech by the gentleman on the subject of ship subsidy. I think it is to be admitted that he is one of the strongest advocates in the House of a ship subsidy. Now, do I understand that the gentleman is opposed to this provision?

Mr. HUMPHREY of Washington. Absolutely.

Mr. FERRIS. Then I can not fathom the gentleman's argument. One moment the gentleman criticizes the Ways and Means Committee for putting a ship-subsidy provision in the bill and in the next moment he criticizes them for not putting in one. What is the trouble?

Mr. HUMPHREY of Washington. I criticize them for putting this provision in here, because it is absolutely absurd. In the first place it amounts to nothing, and in the second place it proposes to make an absolute gratuity to the vessels that run without requiring them to do anything. Further than that it gives that gratuity to foreign-built ships, built in foreign yards by foreign cheap labor, and manned by Japanese crews. I have never advocated anything except a mail subsidy, to be given to fast vessels that would in time of war serve the Government, ships that carried American citizens as a portion of their crews, and that trained American boys and carried the mails. Now, after all your talk about subsidy, and all your talk about the Panama Canal, you come in here with the only pure and undefiled subsidy proposition that has ever been brought before this House. What little benefit it would be would go to the slow tramp vessels between here and Europe.

Mr. FERRIS. The gentleman will pardon me a moment?

Mr. HUMPHREY of Washington. Yes.

Mr. FERRIS. Is it too much of a subsidy or too little of a subsidy that the gentleman complains of?

Mr. HUMPHREY of Washington. I object to it for two reasons: First, because it is too small; it does not amount to anything. Second, because it is given to the wrong people; it is given to those who do not earn it; it would not cause them to make a single extra trip or cause a single American vessel to be constructed in an American yard.

Mr. FERRIS. I give more credence to the gentleman's statement that it does not amount to anything than to the statement that it does. I do not think it does.

Mr. HUMPHREY of Washington. To recapitulate what I have said, this proposition is a pure subsidy, because it demands no service in return. The vessels that receive it are not required to perform any duties for the Government, and this is the true test of a subsidy. The vessels that receive this subsidy are not required to run at any speed. They are not required to carry the mail. They are not required to carry American crews. They are not required to carry American boys and train them in American seamanship. They are not required to be built upon plans approved by the Secretary of the Navy. They are not required to be at the command of the Government in time of war. All these requirements have always been made in every bill that has ever been favored by the Republican Party. But this bill proposes to give a gratuity to foreign-built vessels, manned for foreign, cheap crews—a proposition that is un-American and has never been favored by any party in this country but the Democratic Party.

Mr. STEVENS of Minnesota. Does the gentleman from Alabama desire to use any of his time?

Mr. UNDERWOOD. I yield to the gentleman from Massachusetts [Mr. CURLEY] five minutes.

The CHAIRMAN. The gentleman is recognized for five minutes.

Mr. CURLEY. Mr. Chairman, the Democratic Party are to be congratulated upon the patriotic step they have taken in incorporating in the present tariff bill a provision having for its purposes the revival of the American merchant marine, and despite the objection that may be raised by those men who are fearful lest we offend foreign nations I sincerely trust the provision of the tariff bill that will result in the restoration of the American flag on merchant steam vessels will be adopted.

The acts of Congress authorize, and each treaty provides, that the treaties and conventions with 32 countries now in force may be terminated upon one year's notice, and ample time exists for adoption of the changes made necessary in existing treaties between the United States and foreign powers in consequence of this provision of the tariff bill.

In my opinion the development of the merchant marine of the United States is fully as important in its bearing upon the future of this Republic as is the currency or the tariff question, and the adoption of this section of the tariff bill should undoubtedly prove the entering wedge that marks the beginning of a movement for commercial liberty upon the waterways of the world for United States ships.

A study of the figures relative to our commerce covering a half century of the Nation's growth is sufficient to convince even the most bitter opponent of governmental aid in the development of a merchant marine as to the imperative need for action regardless of the protests that may emanate from foreign powers, who during this period have been the chief beneficiaries on sea of our Nation's prosperity and progress.

In 1859 the value of goods carried in American vessels was $465,741,381 and in foreign vessels $229,816,211, or more than 100 per cent greater value carried in American ships than in foreign ships. In 1909, however, the value of goods carried in American ships has decreased 44.46 per cent, or a value of $258,657,217, while on the other hand during this brief period of 50 years the value of goods carried in foreign vessels has increased 971.59 per cent, or from $229,816,211 to the staggering totals of $2,462,693,814.

Can any Member of Congress contend that he is performing his duty as an honorable and patriotic representative of the American people and sit idly by while the right arm that was once the Nation's sign of greatness is being severed at the shoulder? I appreciate that there are Members of Congress who believe that governmental aid in any form is fundamentally wrong and politically unsound. Yet the startling figures here presented should in themselves be a sufficiently weighty argument to warrant any man changing his convictions and becoming enthusiastic in his support of a policy of governmental aid, either direct or indirect.

This section of the tariff bill provides a remedy that is in no sense a palliative for the treatment of the cancer to-day gnawing at the vitals of the Nation. It is the same remedy that was applied by those men who sacrificed their all that liberty might be established and freedom possible for America and Americans, both on land and on sea.

This section of the tariff bill breathes the spirit of that great statesman through whose genius and ability the Declaration of Independence was made possible—Thomas Jefferson.

The immortal document which has served as a guide to this Nation since its establishment has stood every test, and to-day, with all our progress, with all our advancement, with all our greatness as a Nation, we must hearken back to the fathers of the Republic to secure a remedy for the ills from which we now suffer.

The tariff act adopted July 4, 1789, made possible the development of a commercial supremacy for the new Republic that was the envy of the entire world. This act provided:

On all teas imported from China or India in ships built in the United States and belonging to a citizen or citizens thereof, or in ships or vessels built in foreign countries and on the 16th day of May last wholly the property of a citizen or citizens of the United States, and so continuing until the time of importation, as follows: On Bohea tea, per pound, 6 cents. On all Souchong or other black teas, per pound, 10 cents. On all other green teas, per pound, 12 cents.

On all teas imported from Europe in ships or vessels built in the United States and belonging wholly to a citizen or citizens thereof, or in ships or vessels built in foreign countries and on the 16th day of May last wholly the property of a citizen or citizens of the United States, and so continuing until the time of importation, as follows: On all Bohea tea, per pound, 8 cents. On all Souchong and other black teas, per pound, 13 cents. On all Hyson teas, per pound, 26 cents. On all other green teas, per pound, 16 cents.

On all teas imported in any other manner than as above mentioned, as follows: On Bohea tea, per pound, 15 cents. On all Souchong or other black teas, per pound, 22 cents. On all Hyson teas, per pound, 45 cents. On all other green teas, per pound, 27 cents.

On all goods, wares, and merchandises other than teas imported from China or India in ships not built in the United States and not wholly the property of a citizen or citizens thereof, nor in vessels built in foreign countries and on the 16th day of May last wholly the property of a citizen or citizens of the United States, and so continuing until the time of importation, 12½ per cent ad valorem.

SEC. 5. A discount of 10 per cent on all the duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels built in the United States and which shall be wholly the property of a citizen or citizens thereof, or in vessels built in foreign countries and on the 16th day of May last wholly the property of a citizen or citizens of the United States and so continuing until the time of importation.

This provision was amended in the tariff act of August 10, 1790, by imposing an additional duty of 10 per cent on articles imported in ships or vessels not of the United States instead of allowing a discount of 10 per cent on articles imported in American ships.

These or similar discriminations in favor of ships owned wholly by American citizens were continued for 26 years and resulted in such an increase in American shipping that in the year 1810, just 103 years ago, more than 90 per cent of our foreign commerce was carried in American-owned ships over the world and was much greater than the tonnage of American steamships engaged in foreign commerce is to-day.

I have always been at a loss to understand the opposition of the farmers to a subsidy provision, for if any person interested in agricultural pursuits could have visited the Great Lakes region in December of 1912 and witnessed the 3 miles of vessels bearing grain that lay in the harbor of Buffalo and with more than a half hundred additional vessels in the outer harbor, all awaiting the arrival of the foreign carriers who had conspired to refrain from handling the grain until such time as sufficient excuse had been afforded for the raising of rates, they would have become converts to the doctrine of providing a merchant marine regardless of cost.

The investigation conducted before the Interstate Commerce Commission disclosed the fact that through the control exercised by the foreign shipping interests, wheat for export trade could be sent from the Mississippi River regions to New York for 12 cents a bushel, while wheat sent to New York for manufacture into flour for home consumption paid a rate of 19½ cents per bushel. In other words, it was possible, through the power of the combined foreign shipowners, to furnish European millers American wheat at 4½ cents a bushel less than it could be supplied to the American millers at New York.

The average wheat yield is 20 bushels to the acre, and a fair return from this yield is $15. Allowing that it costs $5 an acre to break, disk, and seed and $2 an acre to harvest, thrash, and market, when the value of farm products is less than $10 an acre a loss rather than a profit results.

The year 1912 will long be remembered by the foreign shipowners as the most profitable one in the history of this piratical combine, who, through manipulation and control, during the past three years have doubled and trebled the ocean rates for the carrying of grain.

The western farmer has been compelled to pay from 37 to 45 cents a hundred to lay his grain down at Liverpool, and at the close of navigation on the Great Lakes he has been compelled to pay in excess of 50 cents a hundred. A rate of 40 cents a hundred is equivalent to 24 cents a bushel, and if a farmer has sold his grain for 87 cents a bushel, and the carrying charge has been 24 cents, the actual amount received by the farmer is but 63 cents a bushel; and if the yield is 20 bushels to the acre, the gross returns, less the carrying charges, is $12.60 per acre; and deducting from this amount the $7 paid for labor per acre, leaves the farmer but $5.60 an acre, or nearly $4.50 less than he should receive in order to secure a fair return upon his investment; and what is true in the case of the farmer is equally true in its application to all our industries.

After the treaty of Ghent, 1814, following the War of 1812, Congress passed the first reciprocity act of commerce and navigation, March 3, 1815, authorizing the President to abolish all discriminating duties and imposts in the direct trade with nations granting similar privileges. This method was followed in a treaty with England ratified on December 22, 1815, applying to the direct trade with Great Britain and India, West Indian and all other British colonial ports remaining closed to American vessels. Similar treaties followed and became effective in 1819 with Sweden and Norway, and in 1822 with France. In 1828 Congress removed discriminating duties and imposts in the direct trade as to vessels whose nations extended similar privileges. Great Britain still refused to open its West Indian ports to United States vessels, until in 1830 there was passed the last or colonial reciprocity act. England, however, did not open her colonial ports to United States vessels until 1849, and soon after our discriminating duties and imposts were finally abolished.

In the report of the United States Commissioner of Navigation for 1904 there are published the treaties and conventions with 32 countries, which have been made to carry out acts of 1815, 1828, and 1830 for free trade in transportation of our oversea commerce. The treaties are similar in terms and import, and are generally confined to this subject; they all include the indirect trade, except those with England and France, with whom our later reciprocity acts became effective by proclamation and not by treaty. These acts of maritime reciprocity seem to have been urged upon Congress by merchants in the foreign trade, but were passed under the apparently firm conviction that protection was no longer necessary for American shipping. The results of an apparently free trade in transportation have been written in no unmistakable manner, for, after each reciprocity treaty with a carrying nation had been enacted, its entries into our ports largely increased and continued to increase more rapidly than our own tonnage, until, as I have previously stated, our commerce as carried in ships flying the American flag has practically reached the vanishing point.

The control exercised by foreign shipowners is such to-day that American merchants have no voice in the matter of regulation of charges which they are compelled to pay for the carrying of their commodities. Foreign shipowners, largely in control of American commerce, meet from time to time in Germany and hold what is known as a "conference," the purpose of which is to prescribe the rates to be applied in the handling of our foreign trade. It is common knowledge that they further provide at these conferences that any ship or ships controlled by the combine shall rebate at the end of each six months' period to the shipper using the ships controlled by them exclusively in the carrying of goods 10 per cent of the total carrying charges, and this policy, through the lure of the rebate system, has led to the destruction of independent shipowners.

The absence of the independent shipowner from this field of endeavor makes it not only possible but probable that 10 per cent rebate is in consequence of an excess charge made possible through the absence of competition and through the exercise of absolute control of the trade to exact charges many times in excess of the amount rebated. They are able also to dictate to our railroads and to establish through rates from central Germany to Denver and Salt Lake which are lower than rates on similar articles from Cincinnati to those points. By a series of rebates, under various names, they are able to direct practically all our South American traffic to New York, to which point manufacturers in the interior must ship in order to take advantage of the low rate offered. They totally prevent the direction of trade from the central valley through New Orleans where the whole Middle West would enter into competition with the export commerce of the Atlantic ports.

Shoes shipped from St. Louis to New Orleans in a modern river barge cost about $4.50 per ton, but it is required that they be shipped for export from New York, and in consequence the shoe dealer in St. Louis pays a charge of $19.20 per ton.

Vast sums of money have been spent on river, lake, and harbor improvements; our great railroad terminals are located on the waterways throughout the land, and there we have ceased our labors, at the very point deserving of our most urgent consideration. Our river, lake, and coastwise commerce is to-day in excess of 7,500,000 tons, while our tonnage in the foreign trade is less than 600,000 tons.

The amount actually expended for the carrying of our foreign commerce is estimated in excess of $300,000,000, and this vast sum is an important factor in the balance of trade and a serious one in view of the fact that our exports of natural products has rapidly decreased, while the presence of our flag upon ships engaged in the foreign trade has become a genuine curiosity.

Our exports of manufactured steel and iron goods during the past fiscal year have averaged $1,000,000 each day, including Sundays and holidays. These goods, the product of the toil and skill of American workmen, have been sold in free-trade and so-called pauper-labor countries in open competition despite the payment by our merchants and manufacturers of an exorbitant carrying charge to foreign shippers. Our export trade, amounting to-day to $2,000,000,000, furnishes permanent employment to the men and women engaged in various lines of industry for at least three months annually, and were Germany or England to engage in war with other nations even so far removed from us as the Asiatic nations, the injury that would result to this country in consequence of such war would be fully equal to that resulting to the actual combatants. Our goods would be permitted to rot on the docks for want of carriers; our industries would become paralyzed through lack of distributors of their output, and despite the fact that we were at peace with the world a panic might ensue from which it would take three or more years for this Nation to recover.

While it is true that the admission of foreign ships to American registry may strengthen the resources of a competing nation, it is nevertheless equally true that the necessities of our present condition demand the taking of heroic measures. And while it may be argued that the adoption of the free-ship policy, so called, by foreign nations has not resulted in an immediate increase of their tonnage, the fact remains that those nations which have adopted the free-ship policy are to-day the leading maritime nations of the world. Great Britain adopted the policy in 1849 and continued it until such time as its shipping, thanks to subsidies in one form or other, found it possible to defy world competition in the matter of shipbuilding. The adoption of the subsidy policy by the French Government resulted in an increase in its merchant shipping from 914,000 tons in 1881 to 1,900,000 tons in 1910. Germany adopted the policy

in 1873, its shipping at that time being 1,098,000 tons, and through the aid of mail subventions and the encouragement of native shipbuilding, has increased its tonnage to 4,307,000 tons. Japan, through a free-ship policy and governmental aid, has increased its shipping, perhaps, more rapidly in proportion than any other nation in the world, or from 200,000 tons in 1894 to 1,544,000 in 1910. And a study of these statistics is sufficient to convince the most stanch opponent of governmental aid to our merchant marine of the imperative necessity for action.

The example of the English Government in the matter of aid is exceedingly instructive. The *Mauretania* and *Lusitania*, having a speed of 25 knots an hour, were constructed by the British Government to be used as auxiliary cruisers in time of war, the expense of the same being charged to the naval appropriation.

The German Government pays a subsidy of $1,300,000 annually to the North German Lloyd Line and $300,000 annually to an East Indian line.

A more lamentable confession has never been made by the representative of a great country than that of Admiral Sperry, in charge of the American fleet, upon his return after a 25,000-mile journey over the principal waterways of the world, when he stated that never once in the entire journey did he behold the American flag flying from a merchant steam vessel.

England to-day furnishes the ships to carry supplies and fuel to our Navy on the Pacific coast, and on the recent journey around the world of the fleet there was furnished the pathetic spectacle of the supply ships accompanying the fleet flying the flags of every nation but our own; our boasted strength as a nation made a mockery for the world.

It is very well to send our commercial travelers to the various countries of the globe to develop new markets for American trade, but American goods delivered abroad in ships flying the American flag will prove a more powerful element in the development of a national commerce than all else.

There are many men who contend that the provisions of this bill should apply only to ships built in American yards, but when we realize the policy that has been pursued by the beneficiaries of our protected tariff system, and which policy has been largely dictated by the difference in wages and materials, of having ships constructed abroad, the necessity for extending the preferential privilege to ships of American registry, whether built at home or abroad, impresses one.

The Belfast yards during the year 1910, in addition to building the *Olympic*, a 45,000-ton steamer, constructed one equally as large for a German concern and five first-class passenger and freight steamers for an English company, to ply between New York and Nova Scotia, and five additional ones for the United Fruit Co., of Massachusetts; and these ships when commissioned will fly the German flag and the English flag, be manned by English and German crews, and, while their success will result from the handling of American passengers and cargoes, they will contribute little or nothing to the greatness and glory to this Republic.

Unquestionably it will be the purpose of the English as well as the German Government to protest against this preferential duty favorable to American shipping on the ground that it is a discrimination against their commerce, in the same manner that protests have been lodged against the adoption of a policy of free tolls on American shipping through the Panama Canal. But the protest of Great Britain is lamentably weak when we realize that in the past 60 years the British Government has expended $300,000,000 in mail and admiralty subsidies for the development of its commerce.

German ships to-day trade upon our Pacific coast from Puget Sound to San Francisco, bearing our freight to South America and theirs in turn to Hamburg, while upon the Atlantic coast English ships furnish means of travel and trade between New York, Brazil, and Argentina, while Norwegian and Swedish tramp steamers ply between the United States and the West Indies, carrying our manufactured goods one way and fruit the other.

Our South American neighbors, whose friendship and trade it should be our aim to cultivate, are to-day largely served by ships flying every flag but our own, and at present a native of Argentina desiring to reach New York and take a trip, combining comfort and pleasure, invariably goes by way of Genoa or Liverpool and not infrequently returns by the same route.

We have made no attempt as a Nation to take advantage of our geographical position in the matter of trade with South America, and which will be doubly enhanced through the opening of the Panama Canal. Steamers making 16 knots an hour, leaving New Orleans for the Chilean coast by way of the Panama Canal, would find it possible to deliver letters in Buenos Aires, through a transfer at Panama and via the trans-Andean railroad, eight days quicker than a ship of the same speed could deliver them from New York or Hamburg down the Brazilian coast. It would be possible for a merchant in Peru, Chile, or Argentina, sending an order to St. Louis or Chicago, to receive a reply and his goods by this route from 12 to 18 days sooner than he can now get them from Hamburg or New York. Our share in the import traffic of those countries is now about 15 per cent, whereas through these improved conditions it might easily be increased to 50 per cent.

The agitation in favor of definite action in the matter of the development of a merchant marine has received serious thought for more than a quarter of a century; the ocean mail act provided a moderate compensation for carrying of mail and was adopted in 1891, and in 1903 President McKinley recommended discriminating duties. The Republican Party platform in 1908 affirmed its adherence to the doctrine of encouragement to American shipping and urged such legislation as would revive the merchant marine prestige of the country as being essential to the national defense, the enlargement of foreign trade, and the industrial prosperity of our own people, and the Democratic platform in 1908 affirmed its belief in the necessity for the upbuilding of the American merchant marine.

The imports and exports of the United States in the year ending January 1, 1913, were in excess of $4,000,000,000, and this vast commerce was carried largely in ships flying a flag other than Old Glory, 91.75 per cent of our foreign commerce being to-day carried by foreign ships, while but 8.25 per cent is carried in ships flying the American flag.

The construction of the Panama Canal is rapidly approaching completion, and it will largely fail of its purpose unless the adoption of this provision and a closer attention to the growing needs of the Nation brings forcibly home to us the lesson that friendly intercourse between our country and other nations is more easily secured through the flying of the American flag from messengers of peace in the form of merchant steamships than upon the agencies of destruction—ships of war.

There are many lines of ships flying foreign flags and owned by American citizens that unquestionably in the event of the adoption of this provision would gladly seek an opportunity to change their registry to become recipients of the people's bounty and heralds of our Nation's progress.

The advantages of a merchant marine from a military standpoint are manifold; our recent war with Spain forcibly demonstrated our weakness in this particular. Ships admitted to American registry in time of war would be of value for the transportation of troops, provisions, and fuel, and would prove a valuable auxiliary to our Navy.

The adoption of this bill will, I trust, mark the beginning of a new era in the development of the Nation's prosperity, to the end that the best flag that ever waved over a people in the history of civilization may become a familiar figure once more upon the waterways of the world, rather than a blessed memory of a nation's departed greatness. [Loud applause on the Democratic side.]

Mr. STEVENS of Minnesota. Mr. Chairman, I yield to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman, I desire to place in the RECORD a report of the Commissioner General of Immigration for the year ending June 30, 1912, concerning aliens employed on vessels which completely overthrows all that my eloquent friend from Massachusetts [Mr. CURLEY] says.

ALIENS EMPLOYED ON VESSELS.

Chinese and other alien seamen have always constituted a serious problem in enforcing the Chinese-exclusion and immigration laws. The bureau has repeatedly called attention to the impossibility of properly safeguarding the country against the entry of Chinese laborers and mentally defective and otherwise undesirable aliens under the statutory provisions now existing. The violations, evasions, and abuses continue to increase in volume and seriousness; in fact, it is believed that the situation concerning this matter is now the most serious defect in the laws which contemplate that Chinese laborers and defective aliens shall be kept out of the country. (See what the commissioner of immigration at New York states concerning this subject.)

Table XX contains figures concerning alien seamen reported by masters of vessels as having deserted during the fiscal year 1912. These statistics are known to be quite incomplete. In addition to the figures given in that table, it should be stated that during the year about 35,000 Chinese seamen have come into the ports of the United States on merchant vessels and many desertions have occurred. The decisions of the courts, rendered under both the immigration and Chinese-exclusion laws, have been such as utterly to discourage the immigration officers in their efforts to control the situation. So far as Chinese are concerned, the masters of vessels often wholly disregard the inspectors, and officials of steamships that carry crews of other races are almost equally indifferent, feeling that they are justified under the decisions of the courts in claiming that the immigration officers have no control over the employees of their vessels and can not compel them to take even reasonable precautions.

There is now pending before Congress a bill (H. R. 21489) which, if enacted into law, will go a long way toward remedying this situation in so far as violations of the immigration act are concerned. With

respect to Chinese seamen, it is very important that the present practice, supported by a departmental regulation, of requiring bond for each seaman brought into a United States port conditioned for such seaman's departure from the country with the vessel shall be authorized specifically by an act of Congress, with appropriate penalties for failure to give the bond.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield to the gentleman from South Dakota [Mr. MARTIN].

Mr. MARTIN. Mr. Chairman, it is certainly enlightening, if nothing more can be said about it, to hear a ship-subsidy speech made by a gentleman from Massachusetts applauded on the Democratic side of the House, although, I thought, rather faintly.

He supports this legislation on the theory that it is a subsidy to American ships. I am against subsidies for American ships. I am in favor of restoring the American merchant marine by a different method, which I have not time now to discuss. I call attention to the fact that this is only another illustration of the piecemeal, illogical manner in which this bill has been framed. This item is not a subsidy to American ships only; it is a reduction of 5 per cent on all goods brought in American ships and also ships of other countries with which we have treaties and agreements that their goods shall come in at the same rate as that given to goods brought in American ships.

We have treaties with all the commercial countries of the world except four, in which we have agreed that goods in their ships shall come in subject to the same duties as those in American ships. Now we are making a further provision in this section that hereafter goods in American ships shall come in 5 per cent below the general rates. What is the effect of it? That will be construed consistently and logically, and the result will be that foreign ships from the countries with which we have treaties of that sort will bring their goods to our shores under this subdivision 7 of paragraph J, 5 per cent below these rates. It is another method by which our Democratic friends in piecemeal legislation are going to make a general reduction of 5 per cent of these duties on all goods brought from foreign countries, except from the four nations with which we have no such agreement.

Now, I want you gentlemen not to be deceived in what you are doing. You will find that this is precisely what you are doing, and yet I expect to see you all vote for it because, forsooth, you have not had any release to do otherwise, except the gentleman from Mississippi [Mr. SISSON]. That is exactly what you are doing. You are lowering your rates on goods coming in in American bottoms and bottoms of other nations with whom we have agreed by treaty that their goods should come in at the same rate as goods coming in American bottoms.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield half a minute to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 207, strike out all of subsection 7.

Mr. STEVENS of Minnesota. Does the gentleman from Alabama wish to use any time?

Mr. UNDERWOOD. Not at present. I intend to use the time before we get through, but not now.

Mr. STEVENS of Minnesota. Mr. Chairman, I wish to call the attention of the committee to what I think is an error in the bill and misinformation furnished the House in the report upon J, subsection 5. J, subsection 5, provides as follows:

That all materials of foreign production * * * for the construction of vessels * * * and all such materials necessary for the building of their machinery, and all articles necessary for their outfit and equipment may be imported. And upon proof of such materials having been used for such purposes no duties shall be paid thereon.

You will notice that the exemption from duties pertains only to "materials" and not to any "articles" necessary for outfit and equipment described in the same paragraph. In your report, on page 51, you state the purpose of this paragraph as follows:

The present law limits the free importation of such material to vessels built in the United States for foreign account and ownership and for the purpose of being employed in the foreign trade, including the trade between the Atlantic and Pacific coasts. The change made in this section is to strike out the limitation and authorize the importation free of duty of foreign material for the construction of all vessels built in the United States for foreign account and ownership and for the purpose of being employed in the foreign and domestic trade of the United States. The purpose of the change is to liberalize the law and encourage the building of all classes of ships at our domestic shipyards.

On page 440 of your report you set forth the language of this subsection and compare it with section 19 of the Payne-Aldrich bill, thereby giving the House to understand that the change here made is that from section 19 of the Payne law. I add the portion of your report:

SEC. 19.—MATERIALS FOR SHIPBUILDING.

J. Subsection 5. 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 or domestic trade, 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.	SEC. 19. 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 fact is there is no such thing as section 19 of the Payne-law in existence to-day. This was repealed by the portion of the Panama act, as follows:

That all materials of foreign production which may be necessary for the construction or repair of vessels built in the United States, and all such materials necessary for the building or repair of their machinery, and all articles necessary for their outfit and equipment may be imported into the United States free of duty under such regulations as the Secretary of the Treasury may prescribe.

Your committee has not informed the House that the Panama act repealed that section, that it broadened the law as it then existed in section 19 of the Payne-Aldrich law set forth in your report, and that really your provision greatly restricts the provision of the Panama act, which I have shown to you. The free-material provision of the Panama act is restricted by this provision as follows, to be found in the bill at the bottom of page 206, line 24. The Panama act provides that materials for the construction or repair of vessels shall be admitted free. You limit free materials only for construction and not for repair. You notice that J, subsection 6, in your bill provides instead that all articles needed for repair may be imported free, but not materials. The Treasury Department, in a circular issued after the Panama act was passed, made the distinction between "articles" and "materials." "Material" was held to be the raw material for the finishing of the article. The article is the finished product. It is almost useless to attempt to import an article under such a construction for the repair of a ship. The practicable thing to do is to bring in the material for the making of the article for the repair of a ship. That was what the Panama act provides, but you have stricken out the opportunity to bring in material for the repair of a ship and only provide for the finished article. That is almost an impossibility, so that that provision for the article for the repair is practically worthless as you have included it in your bill.

Again, referring to the top of page 217, the Panama act provides for free admission of materials necessary for the building or repair of machinery. You strike out the words "material for the repair of machinery" and leave it only for the building of machinery. This is of some consequence, even though not much noticed. But the most important change is this: In lines 3, 4, and 5, on page 207, you provide:

All articles necessary for their outfit and equipment may be imported in bond under such regulations as the Treasury may prescribe.

In the very next line you say:

And upon proof that such materials have been used for such purposes no duty shall be paid thereon.

Duty shall be paid on what? On materials, not articles. Remember the construction placed upon the words "articles" as the finished product and "materials" as the raw basis for making the "articles." "Articles for outfitting and equipment" by the Panama act, section 5, are placed on the free list. By this provision you take them from the free list and again place them on the dutiable list. You thus change the law entirely and restrict its beneficent operation in most important particulars, while in your report you inform the House to the contrary.

The Panama act provides for the free admission of all of these things, the material for the construction and repair of

vessels, material for the construction and repair of machinery, and articles for outfitting.

This was the deliberate intention of Congress, as those of you who were here at the time the conference report upon the Panama bill was under consideration by the House last August know. This very situation was debated at length by the gentleman from Pennsylvania [Mr. MOORE], the gentleman from New York [Mr. PAYNE], and in favor of the proposition by the gentleman from Missouri [Mr. ALEXANDER]. It was the culmination of a 30-year movement for free ships for foreign trade and free materials for the construction, repair, and operation of our ships in all trades. The conference committee took the bill of the gentleman from Missouri, Judge ALEXANDER, which was then on the calendar of the House, with a favorable report not only from the Committee on the Merchant Marine and Fisheries but indorsed by the Department of Commerce and Labor, and substituted in place of the Senate provisions on this subject the corresponding clauses of the bill of Judge ALEXANDER. It required the adoption of a rule by the House to keep it in the report as against a point of order by the gentleman from Pennsylvania [Mr. MOORE]. Now, after that struggle and that experience it is very unfortunate that the effect of it should be completely ignored by the Committee on Ways and Means and the House misinformed in the report and the progressive movement for the assistance to our merchant marine checked by a return to former conditions. The beneficent provisions proposed by Judge ALEXANDER are all wiped out and repealed by this section and you confine the practical effect of this paragraph to materials for the construction of vessels, and that is the sole effect of what you do. That does seriously impair existing law. You restrict the provisions of the Panama act so that such provisions are practically worthless, and instead of giving the shipbuilders of this country an opportunity to import materials with the articles necessary for their construction and repair of ships, machinery and outfitting, you practically provide for only the importations necessary for the construction of vessels and machinery. I do not know whether the committee intended to restrict the privileges of the merchant marine, but they have certainly done so by their bill.

Mr. MANN. I yield five minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I desire to offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 207, line 1, after the word "or," strike out the word "domestic" and insert after the word "thereon," in line 7, the following: "All acts or parts of acts inconsistent with this subsection are hereby repealed."

Mr. TREADWAY. Mr. Chairman, before speaking to the amendment which I have offered, I wish to ask the indulgence of the House to make this one further reference to political conditions in Massachusetts, and I will be extremely brief in doing so. I wish to say that it is nearly 10 years now since I first had the honor of serving in the Massachusetts Legislature with the newly elected Member from Massachusetts [Mr. MITCHELL]. Since then I have sat with him in both branches of the Massachusetts Legislature. In the course of his argument this afternoon—an hour or more ago—he omitted, I think, one very salient feature having to do with the election in the thirteenth Massachusetts district a few weeks ago, namely, his own personal popularity in that district. He is an extremely popular man at home; he is a very able legislator, as I can testify from my own personal knowledge, and I wish to say that I think his modesty prevented him from bringing these facts forward as reasons contributing to his election. Further, the gentleman from Washington [Mr. BRYAN] referred to the conditions in Massachusetts, and I want to say this: That he is absolutely wrong when he said the Progressive candidate, Mr. White, was not a protectionist, because it happens that I talked with the gentleman the very day that Congressman Weeks resigned, and he said that he was going to appeal to the Republicans in that district to support him because he was a protectionist, and he wanted to make that the issue in the campaign. Again, the Progressive leader in Massachusetts, Mr. Mathew Hale, announced that if Mr. White secured Republican indorsement he would nominate another Progressive against him. I trust I have fully as much knowledge of political conditions in Massachusetts as has the gentleman living across the continent in the State of Washington.

But, speaking to the amendment which I have submitted, I would say that during the course of this tariff debate the entire compass of the Democratic revision has been completely boxed. At various points on this compass we are told by the gentlemen on the other side that the bill is to secure revenue, that it is to reduce existing rates, that it is to prevent monopoly, that it is a trust buster, that it is to lower prices to the downtrodden consumer, and, as the President said before this very body, "to sharpen the wits of the American manufacturer." In fact, it has a different panacea for every ill that the flesh of Republican prosperity is heir to. But, Mr. Chairman, our Democratic friends have been very particular not to designate one class of beneficiaries—namely, the importers and the manufacturers abroad. That is what is done by the insertion in this paragraph of the word "domestic." I also wish to have the amendment adopted in order that the clause in the Panama act, to which I refer, shall be amended to prevent the importation free of duty of equipment or materials for vessels. This has been done by the owners of the Fall River steamers, of the Hudson River steamers, and of the Norfolk & Washington Steamship Line. I believe that if the tariff bill of this administration, the bill we are now considering, does nothing else it ought at least to bring honor to the Democratic Party as causing the foundation of a league to benefit importers and foreign manufacturers. A marked illustration of this very question has been shown in my district, and it is on account of the fact that part of the equipment of a steamer on the Hudson River was imported free of duty that I ask for the adoption of this amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. How much time have I remaining?

The CHAIRMAN. Ten minutes.

Mr. MANN. I yield two minutes to the gentleman from Pennsylvania [Mr. AINEY].

Mr. AINEY. Mr. Chairman, the people of this country are just awakening to the fact that a minority party temporarily in power is about to take advantage of its transitory authority and place upon the statute books of our Nation a tariff law the avowed purpose of which is to strike down the long-established policy of protection to American industry.

Under the specious argument of reducing the high cost of living it first attacks the products of the farm by proposing wholesale reductions of the present protective duty upon articles raised or produced by the American farmer, leaving the agricultural interests of our land to withstand the tide of importation from Canada, South America, and Europe.

On these articles the custom duty under the proposed Underwood bill is on an average but one-half what it is under existing law. Dairy products receive woeful hurt. Foreign butter soon may be imported to compete with the American product by paying 3 cents per pound in place of 6 cents; hay at $2 per ton in place of $4.

Apples will be called upon to compete with the great Canadian and Nova Scotian crops with the protection of only 10 cents per bushel as against an existing duty of 25 cents.

Milk and cream may, under the Underwood bill, be brought across the Canadian line at any point free of any duty, to depress the price, as against the protection afforded the farmer by the duty of 2 cents per gallon on milk and 5 cents per gallon on cream, which the existing tariff law requires to be paid.

Milk, preserved or condensed, will go upon the free list, and thus bring the American dairyman into unequal competition with the foreign products.

What is true of dairy products is equally true of grains and vegetables produced on the American farm, notably potatoes, which, under the present law, are subject to an import duty of 25 cents per bushel, will, under the Underwood bill, be admitted free, and so supplant the products of American soil.

When the Underwood bill becomes a law, those engaged in producing them must face a new rival and greater competition; and this, the Democratic Party frankly admits, is for the purpose of reducing the high cost of living.

The farmers of the country are asked to accept this tariff bill and policy, which lays the ax at the very root of the tree of their prosperity, because, forsooth, the Underwood bill proposes to place agricultural implements on the free list.

The Democratic proposition is to remove the duty on the implement with which the farmer digs his potatoes, and expect the farmer to so rejoice in the saving on the price of a hoe that he would welcome the flood of duty-free potatoes imported to depreciate the price of his own product.

Such logic could find no better illustration than in a proposition to cut one's throat to stop one's appetite.

I trust I have no narrow partisan spirit. I know that the sincere desire of my heart is the advancement of the material, moral, and intellectual welfare of the splendid and patriotic people of the district which has honored me, and of the grand old State of Pennsylvania, whose magnificent history records in glowing words a long list of great achievements in behalf of civil liberty.

The difference between the two great parties is fundamental, and is now more sharply defined than in any of the years past. The Republican Party stands squarely for the principle of protection. Rightly applied it recognizes that all men, with the most humble citizen, stand equal before our law, and that that equality can not be maintained except as by law we differentiate and protect him from the hordes of underpaid laborers of other lands, whose conception of individual rights does not accord with our own.

The toiler in America is an American citizen. This gives the highest honor which can rest upon anyone. The toiler in other lands is not protected and cared for by such an equality of citizenship or privilege.

The living and the wage must necessarily be different, and a protective tariff imposed by the Federal Government measures that difference and is calculated to keep and maintain every American citizen on the high plain and privilege of his American citizenship.

The Democratic Party, adopting and from time to time altering a fleeting terminology, has never successfully disguised its free-trade position, and now that it is in power it proposes to remove "the prop of a tax," by which it means the protective policy, and to open the doors of our ports to the free importation of foreign-produced articles, except as in those instances where, for revenue only, a duty is maintained under the evanescent term "competitive tariff."

A "competitive tariff." An unhappy though convenient term. It covers a multitude of errors of commission and omission. For a bill, actually nondescript in its real nature and purpose, built wholly upon theory, uncertain in principle, its schedules and rates based chiefly upon guesswork, as are the estimates of revenue to be derived from it, and return to the ad valorem system that opens the door to fraud, it may as well be called a "competitive tariff" as anything else. What does it mean? If it has any significance, is it not an invitation to foreign producers to come into our splendid home market with their wares and goods and compete with the products of our own farms and factories? If not this, what else can it mean? This is Democratic altruism; this is Democratic magnanimity. Seriously, was ever a proposition so unbusinesslike or so fallacious in political economy? Natural competition is all right. It has been called the life of trade. But when this principle is extended artificially, as it is proposed now to do, in order, as it is claimed for it, to break down artificial props to business; when it is extended beyond natural domestic zones it becomes a menace to home industry, whether the zone be a village or the entire country.

Now, what does this competitive tariff theory mean from the standpoint of those advocating it?

That it is a theory is admitted by the author of the bill. In his opening speech on this bill he said, "How do we arrive at a basis in writing a revenue tariff bill? We adopt the competitive theory."

Then the gentleman goes on to explain this competitive theory in this manner:

> We say that no revenue can be produced at the customhouse unless there is some competition between the products of foreign countries and domestic products. When we admit that some competition should exist in every line of industry, then it is a simple proposition to compare the amount of imports coming into this country with the amount of goods consumed, and you can ascertain at the customhouse whether there is any competition.

So here is the supposed basis upon which the rates in this bill were fixed—but the "simple proposition," as the gentleman calls it, of comparing imports with domestic consumption. No wonder the gentleman calls this a "theory." It is not only a theory, but an iridescent dream, as unsubstantial as the basis of every Democratic attempt at tariff revision.

This bill is not based upon the "simple proposition" its author lays down. On the contrary, it is based on guesswork, and is essentially devoid of a fixed guiding principle, either as a tariff-for-revenue-only bill or as a "competitive tariff."

The gentleman practically admits this. He says: "Unfortunately we have not had the data in all instances to determine this." But the President, he says, will be authorized to furnish the information annually, and when exact knowledge of the amount of imports and the American consumption in any given article is secured we will be able to tell whether rates are competitive.

In its platform in 1912 the Democratic Party charged that excessive prices result in large measure from the high-tariff laws enacted and maintained by the Republican Party.

The Republican Party denied this and declared "the steadily increased cost of living has become a matter not only of national but of world-wide concern," and further stated "the fact that it is not due to the protective-tariff system is evidenced by the existence of similar conditions in countries which have a tariff policy different from our own, as well as by the fact that the cost of living has increased while rates of duty have remained stationary or been reduced."

Now, with the power in their hands and about to be exercised when the protective system is to be wiped from our statute books, conscious of the fallacy of its position the Democratic Party seeks a way to escape, and the President of the United States and the Democratic leader in this House now intimate that reduction in the cost of living will be gradual.

The Democratic Party now faces, under its platform and its promises, the duty of giving to the people under this bill cheaper food and cheaper clothes and at the same time maintain for the farmer good prices for his products and to the workingman the present or better scale of wages for his labor and to the employer such economic conditions as shall enable him to continue his business on such remunerative basis as that he may maintain it on terms of equality between himself, his employees, and the purchasing public.

I shall not now take the time to present the glaring inconsistencies of this bill nor the failure of the theory upon which it is supposed to be based, nor even the method by which it has been constructed.

The Payne bill was severely criticized, both because of the alleged method of its creation as well as for its rates.

This criticism was expressed in many ways, but perhaps by none better than the writer of the following in the North American Review:

> The methods by which tariff bills are constructed now become all too familiar and throw a significant light on the character of the legislation involved. Debate in the Houses has little or nothing to do with it. The process by which such a bill is made is private, not public, because the reasons which underlie many of the rates imposed are private. The stronger faction of the Ways and Means Committee of the House makes up the preliminary bill, with the assistance of "experts" whom it permits the industries mostly concerned to supply for its guidance. The controlling members of the committee also determine what amendments, if any, shall be accepted, either from the minority faction of the committe or from the House itself. It permits itself to be dictated to, if at all, only by the imperative action of a party caucus.

This was penned by the then president of Princeton University, now the occupant of the White House. What he now thinks of tariff making in the light of practical experience must fully confirm his preconceived notions.

However, Mr. Chairman, after all the Democratic Party will be judged not so much by the methods employed in framing this bill as by the results accomplished by the bill itself. It is an experiment which our Democratic friends insist upon trying. They are responsible, but the people at large must suffer the consequences of their failure.

Mr. Chairman, the great State of Pennsylvania, with its widely diversified interests, has ever stood for the policy of protection. The farmer and wage earner, the merchant and the manufacturer have all been the recipients of beneficence.

My State took the initiative in protective tariff legislation, and the enactment of September 20, 1785, is said to have furnished the model for the first tariff law enacted by the Federal Government in 1789.

The preamble to Pennsylvania's tariff law reads as follows:

> SEC. 1. Whereas divers useful and beneficial arts and manufactures have been gradually introduced into Pennsylvania, and the same have at length risen to a very considerable extent and perfection, in so much that during the late war between the United States of America and Great Britain, when the importation of European goods was much interrupted, and often very difficult and uncertain, the artisans and mechanics of this State were able to supply in the hours of need not only large quantities of weapons and other implements, but also ammunition and clothing, without which the war could not have been carried on, whereby their oppressed country was greatly benefited and relieved.
>
> SEC. 2. And whereas, although the fabrics and manufactures of Europe and other foreign parts imported into this country in times of peace may be afforded at cheaper rates than they can be made here, yet good policy and a regard to the well-being of divers useful and industrious citizens who are employed in the making of like goods in this State demand of us that moderate duties be laid on certain fabrics and manufactures imported which do most interfere with and which (if no relief be given) will undermine and destroy the useful manufactures of the like kind in this country for this purpose.

Mr. Chairman, I confess allegiance to that school of political thought upon the tariff question which has sought to place the interests of a great people above the petty graspings of mere partisanship, a tariff policy which was bequeathed to us by our colonial ancestry, and to the support and construction of which the State of Pennsylvania contributed Thaddeus Stevens, a Whig; William D. Kelly, a Republican; and Samuel J. Randall, a Democrat. These great men, each in his way and time, believed in and advocated protection to American industries.

Here in this House these distinguished men upheld the American system and saw their hopes justified by constructive laws which they helped to pass and this country grow and prosper under the influence of beneficial tariff legislation.

In the days of Randall we were practically united in Pennsylvania on the tariff question. Democrats and Republicans

alike agreed that protection was necessary and should be sustained as a national institution. Our people believed in protection as a patriotic duty. It was the "Sam Randall" Democrats who in this House defeated the Morrison horizontal tariff bill that spelled "free trade."

That this policy has been beneficial to the United States one has only to place in evidence the industrial and commercial history of this country during the greater part of the last 50 years, when, with the exception of 4 years, we had protective-tariff laws. During the 4 years' exception—1893-1897—we had a Democratic administration and a Democratic tariff, and those who remember the suffering and misery of those 4 years do not want to return to the conditions then prevailing. What is true of our entire country is also true of Pennsylvania. Nothing can bless or injure other sections of this land without having a like effect upon the people of Pennsylvania. With our 8,000,000 people within a mighty domain of nearly 29,000,000 acres of land, we have improved the magnificent opportunities offered by natural resources and the wisdom of self-preserving laws to place the factory near the farm, to give manifold and diversified employment to both capital and labor, and to furnish a home market for the products of our husbandmen. And beyond the limits of our own State we have found an enlarged home market for our excess products, in exchange for which we have bought the products of our sister States that our people need but do not produce. Thus have we helped to enrich not only ourselves but our fellow Americans in other States as well, buying from foreign countries only those articles which are not produced here. This has been and is possible only under laws embodying the protective principle.

This bill now before us, however, proposes to change our system and to subject our farmers in Pennsylvania and other States, and our artisans, manufacturers, and business men and their employees to the ruinous policy of foreign competition. Its framers tell us that the farmers are not interested in or desirous of a duty on their products; that there is no good reason why farmers should fear from competition with the farmers of Canada or of any other country; and that it would make no difference to the farmer either in the price he receives or the extent of his market; but it would, they claim, cheapen farm products to the people in the cities.

If anybody thinks seriously that the farmers of this country want free trade in farm products and are indifferent as to protection, he has only to refer to the recent revolt among the farmers against the Canadian reciprocity treaty. That treaty had for its purpose mutual commercial relations; its chief purpose, from the standpoint of those representing the United States in its negotiation, was to reduce the cost of farm products to people in our cities and towns in exchange for certain concessions from Canada which would open Canada's market to our manufactured products. Our western farmers saw in this treaty a flooding of our markets with Canadian wheat, oats, barley, and other cereals, and our eastern farmers saw injury to them in Canadian garden truck, poultry, eggs, milk, butter, and the like. They rose up almost as one man against the treaty, and the great agricultural papers and magazines opposed it.

As injurious to them as the farmers thought the Canadian reciprocity treaty would be, it at least did not propose to throw away entirely our home market without exacting some conditions favorable to our own people. But the assault upon agriculture in this bill has not the saving grace of reciprocity, for there is no compensation to any American industry for the losses inflicted upon our farmers by it. This bill represents the logical position of the Democratic Party. They supported as one man the reciprocity treaty, because, as they said, it was a step in the right direction, and they also voted against the repeal of the reciprocity bill. And now they come along with a bill which goes farther than did the treaty and opens wide the door of our splendid home market to an invasion of Canadian farm products. If the farmers of the East and West rebelled at the polls against the treaty, what shall be their attitude toward this bill? I will leave this to our free-trade friends to answer.

Mr. Chairman, for the farmers of Pennsylvania I think I can say with certainty that they believe in protection. They would believe in protection even if they themselves were not affected thereby. For our farmers are unselfish in desiring a policy that they know will protect wage earners in our industries. The farmers know that if those wage earners are thrown out of employment or have their wages reduced as the result of a tariff law that will encourage foreign importations, as was the case under the last Democratic tariff law, then the farmer will lose his principal customer, for when the mills and mines and factories are idle, or running half time, and wages are reduced, the farmers suffer along with the workingmen. Farm values then become depressed; farm products become a drug on the market.

Notwithstanding the fact that the number of farms in Pennsylvania decreased 2.2 per cent from 1900 to 1910, according to the United States census reports, the acreage of improved farm land 4.1 per cent, and the average size of farms 1.6 acres; farm property including land, buildings, implements, and machinery and live stock, the latter including domestic animals, poultry, and bees, increased in value during the same period $201,646,000, or 19.2 per cent. These facts indicate the wonderful prosperity enjoyed by our farmers throughout the decade in which we had for seven years the Dingley tariff law and for three years the present law. And let me say here that the farmers of Pennsylvania enjoyed no more than their fair share of the general prosperity—it was not at the expense of the consumers of farm products, for the farmers received but a just price as the reward of their industry.

In 1910, 69.4 per cent of all the farms in Pennsylvania were operated by their owners and part owners; 3.5 per cent by managers; and 27.1 per cent by tenants; the percentage for owners and for managers being higher and that for tenants lower than in 1900. The owner class is increasing, and the tenant class decreasing. The total number of farms owned in whole or in part by the operators in 1910 was 164,229, of which number 112,156 were reported as free from mortgage indebtedness.

According to the report of the United States Department of Agriculture the value of all live stock in Pennsylvania in 1910 was $163,000,000, divided as follows: Horses, 619,000; mules, 43,000; milch cows, 1,146,000; other cattle 917,000; sheep, 1,112,000; swine, 931,000.

The same authority shows that for the year 1911 Pennsylvania farmers produced, of the principal crops, 63,858,000 bushels of corn, valued at $43,423,000; 17,462,000 bushels of wheat, valued at $15,862,000; 175,000 bushels of barley, valued at $114,000; 4,304,000 bushels of rye, valued at $3,443,000; 6,373,000 bushels of buckwheat, valued at $4,397,000; 15,120,000 bushels of potatoes, valued at $14,062,000; 3,148,000 tons of hay, valued at $62,690,000; and 65,320,000 pounds of tobacco, valued at $6,205,400.

Farmers of Pennsylvania also produced, in addition to the above staple crops, according to United States census figures for the year 1909, vegetables, not including potatoes, to the value of $10,014,000; nursery products valued at $4,725,987; small fruits valued at $1,175,000; orchard fruits, of which apples contributed about five-sixths of the quantity, worth $8,678,000; grapes and nuts valued at about $1,000,000; dairy products, exclusive of milk and cream used on the farm, producing $42,809,000, of which $15,668,000 represents the value of butter. The statistics as to wool production are incomplete, but show a value of $1,306,000. The fowls of Pennsylvania farmers in 1909 numbered 17,485,000, valued at $9,278,000, and they produced 70,903,000 dozens of eggs, valued at $15,658,000.

To produce their crops Pennsylvania farmers, according to the same authority for the same year, paid $25,611,838 for labor on 63 per cent of the farms reporting, which is one of the greatest relative increases in agriculture in that State during the decade 1899 to 1909. About one-fourth of this amount was expended for labor in form of rent and board.

For feed, of 64 per cent of farms reporting, there was spent $19,203,160, and $6,801,605 for fertilizer.

Now, in the pending Underwood bill there is an evident attempt to play the city against the country—to appear to be doing something for the so-called ultimate consumer at the expense of the farmer. It has been pointed out, however, by several gentlemen who have spoken that the farmer receives not more than 50 per cent of the prices paid for the products he sends to market, and yet he has to contend with as many difficulties, relatively, in the production of his crops as do those who produce the things he has to buy. We should not forget that Canadian reciprocity was brought forward in the same spirit. Stress was laid upon the promise that it would cheapen food to the people in the congested centers of population, just as you say this Democratic bill will do. But the farmers, who were not getting a fair share of the prices exacted from the consumer, protested against a policy that would add injury to insult.

The Secretary of Agriculture, Mr. Wilson, after an exhaustive investigation of this subject, had this to say:

> From the details that have been presented with regard to the increase of the prices of farm products between farmer and consumer, the conclusion is inevitable that the consumer has no well-grounded complaint against the farmer for the prices that he pays.

After consideration of the elements of the matter, it is plain that the farmer is not getting an exorbitant price for his products, and that the cost of distribution from the time of delivery at destination by the railroad to delivery to the consumer is the feature of the problem of high prices which must present itself to the consumer for treatment.

It requires money and brains to run a successful farm. No other business, I dare say, is subjected to greater uncertainties and risk, and to add to the farmers' handicaps the additional task of competing with the products of foreigners in what is and should be the American farmers' home market—the very best in the world—is to my mind economic short-sightedness amounting to folly. I stand for protection to the farmer.

In preparing this bill its authors have endeavored by an ill-concealed effort to keep some duties on representative raw farm products in order not altogether, as they hope, to incur the displeasure of American farmers, yet at the same time greatly reducing or placing on the free list the finished products. This is illustrated in the case of cattle, which is dutiable at 10 per cent, while meats go on the free list. Wheat furnishes another notable example, on which is a duty of 10 cents a bushel, and flour goes on the free list.

The following table is a comparison of rates under the present protective law upon certain agricultural products and provisions with the rates under the Underwood bill.

Comparison of rates under the present protective law upon certain agricultural products and provisions with the rates under the Underwood bill.

Item.	Present law.		Underwood bill.	
	Rate.	Equivalent ad valorem.	Rate.	Equivalent ad valorem.
Cattle, 1 year old or over:				
Valued at not more than $14 per head	$3.75 per head	27.58	10 per cent	10.00
Valued at more than $14 per head	27½ per cent	27.50	do	10.00
Horses:				
Valued at $150 each or less	$30 per head	32.93	$15 per head	
Valued at over $200 each	25 per cent	25.00	10 per cent	10.00
Sheep:				
Less than 1 year old	75 cents per head	18.78	do	10.00
1 year or over	$1.50 per head	14.13	do	10.00
Barley	30 cents per bushel	43.05	15 cents per bushel	23.08
Macaroni, vermicelli, etc	1½ cents per pound	34.25	1 cent per pound	23.81
Rice, cleaned	2 cents per pound	54.05	do	33.33
Wheat	25 cents per bushel	35.65	10 cents per bushel	14.29
Butter	6 cents per pound	25.51	3 cents per pound	12.00
Cheese	do	31.79	20 per cent	20.00
Eggs	5 cents per dozen	36.38	2 cents per dozen	14.28
Hay	$4 per ton	43.21	$2 per ton	26.67
Peas, dried	25 cents per bushel	14.36	15 cents per bushel	9.55
Apples, peaches, quinces, cherries, plums, and pears, green or ripe	do	20.23	10 cents per bushel	8.33
Figs	2½ cents per pound	51.53	2 cents per pound	42.11
Walnuts, not shelled	3 cents per pound	40.55	do	28.66
Poultry, live	do	43.10	1 cent per pound	6.67
Mustard	10 cents per pound	37.60	6 cents per pound	23.08
Vinegar	7½ cents per gallon	33.03	4 cents per gallon	17.39

The Underwood bill places on the free list meats, potatoes, swine, rye flour, wheat flour, buckwheat and buckwheat flour, milk, cream, corn meal, oatmeal, and rolled oats; and the door to our home market is also swung wide open to the cigars of the Philippine Islands, bringing them into competition with our native products.

All this, Mr. Chairman, without recompense or reciprocity to the farmers of this country for the privilege of this foreign invasion of their markets.

With her tremendous areas of cheap, undeveloped land, Canada is now a great competitor of the United States in nearly all agricultural products. Why flood the East with her garden truck, poultry, eggs, milk, butter, cream, and the like to the detriment of eastern farmers? And why allow Canada to come into our markets, practically unrestricted, with her wheat, oats, barley, and other cereals and depress the prices of these things that our western farmers produce?

Mr. Chairman, in few other States in the Union has the advice of Jefferson in 1816 that "we must place the manufacturer by the side of the agriculturist" been so well heeded as in the great State of Pennsylvania. Our varied and important natural resources have invited the establishment and growth of many industries. We have within our borders raw materials, such as oil, coal, iron ore, timber, limestone, clay, glass sand, natural gas, tobacco, and so forth, in large quantities, which are used in manufacturing.

In 1909, according to the United States census report, Pennsylvania had 27,563 manufacturing establishments, employing an average of 1,002,712 persons during the year, who received $566,524,000 in salaries and wages. Of the persons employed, 877,543 were wage earners. These establishments turned out products to the value of $2,626,742,000, to produce which materials costing $1,582,560,000 were utilized. The value added by manufacture was thus $1,044,182,000, which figures best represent the net wealth created by manufacturing operations during the last census year.

To select the industries in Pennsylvania that will be affected directly or indirectly by this bill would be to select practically all of them. I will therefore append to my remarks a table specifying 94 industries or industry groups which had in 1909 a product in excess of $700,000,000 in value. In addition to the industries presented in the table there are 2,893 other industries employing 56,433 wage earners, the value of whose products was $211,025,000 plus the value added by manufacture of $75,276,000.

Of the total number of establishments in all industries combined only 21.3 per cent were under corporate ownership in 1909, as against 78.7 per cent under all other forms.

One of the most remarkable illustrations of the benefits to be derived from a protective tariff is to be found in the tin-plate and terneplate industry in this country. "Prior to 1889," says the United States Census Reports on Manufactures, "the industry was of minor importance, but by 1899 it had assumed such proportions that in the Twelfth Census Reports it was for the first time classed as a separate industry."

It will be remembered that before the passage of the McKinley tariff law we were practically at the mercy of English manufacturers of tin plate. From 1871 to 1891 we imported into this country 3,622,750 gross tons of tin plates, the foreign value of which was $307,341,404.

The McKinley bill put a duty of 1.85 and 2.2 cents per pound upon tin plates, according to gauge. This duty went into effect July 1, 1891. What was the result? Importations, which in the fiscal year 1891 were 1,036,489,074 pounds, valued at $35,746,920, fell off in the fiscal year 1894 to 454,160,826 pounds, valued at $11,969,518, and although the development of the industry was arrested by the Wilson law of 1894, which cut the rates about one-half, the encouragement again accorded it by the restoration of the McKinley rates by the Dingley Act of 1897, enabled the industry to grow in this country and keep pace with the consumption, until now we produce practically all of the tin plate consumed here. This has been done with no material increase in price, so that the consumer has not suffered in the least. The industry has been transferred to this country. It has given direct employment to many thousands, with American wages, and to thousands in allied and kindred industries. How did this tariff on tin plate affect Pennsylvania? Let me answer by quoting again from an official authority, the United States Census Report of 1910: "Prior to 1889 the industry was of minor importance, but by 1889 it was classed as a separate industry. In the manufacture of these products Pennsylvania ranks first among the States, reporting more than 50 per cent of the total product of the United States in 1909."

Mr. Chairman, here is an industry in my State just 20 years old, employing upward of 50,000 people, turning out products

worth $25,000,000 a year, paying $1,400,000 in wages, which never would have been established but for a protective tariff. And yet Democratic statesmen, including Mr. Cleveland, characterized the duty on tin plate as "robbery" and "idiotic statesmanship."

This bill reduces the duty on tin and terne plates from 26.74 per cent, the equivalent ad valorem under the present law, to 20 per cent ad valorem, on which our Democratic friends hope to increase the revenue from these articles, and this can only mean increased importations to a market now supplied by our own establishments where there is already competition.

Pennsylvania holds the first place among the mining States. In 1909 its mining industries gave employment to 405,685 persons, more than one-third of all persons employed in all mining enterprises in the United States. The net value of the mine products of Pennsylvania in that year was $345,960,603. The expenses of operating and development were $300,977,955, of which $210,531,202 was expended for salaries and wages.

The principal industry of the State—coal mining—gave employment to 173,263 wage earners in the anthracite fields, and 184,408 in the bituminous regions. The net value of the combined product of coal was $296,396,507, almost equally divided. The net value of petroleum and natural gas-well products was $36,126,096, which together with the value of coal constituted 96.1 per cent of the total net value of mining products in the State.

Mr. Chairman, even if it were desirable, it is impossible to refer in greater detail to the manifold industries of the State of Pennsylvania, which will be more or less affected by this bill. That I have referred to them at all is merely for the purpose of calling attention to their great magnitude and to show at a glance the stupendous growth of farming, manufacturing, and mining in the State of Pennsylvania, a State whose people have always stood for protection, because they have had material evidences of the wisdom of that policy. But I share in the apprehension that exists in that State to-day, that this bill which departs from the protective policy will affect disastrously the welfare of the industries of Pennsylvania upon whom our people are wholly dependent, and from which they are receiving benefits that enable them to live according to our American standards.

Our people would rather "bear those ills" such as they have and hold fast to the substance of good times, steady employment, and good wages than "to fly to other ills they know not of" in the mere shadow of good things promised in this bill.

Every schedule in this bill and the free list contains reductions of duty or no duty at all which affect our Pennsylvania farmers, manufacturers, and workingmen. Inequalities, injustices, incongruities, and disaster are written in almost every line. The duty on finished products in many instances are lowered, while the materials from which such things are made must pay a higher duty. Cattle must pay a duty, while meats are let in free. Wheat must pay a duty, while flour will come in free. This bill will, it is admitted, destroy certain industries, some outright. The wool-growing industry must go to the Democratic slaughterhouse. The sugar industry must suffer a lingering death of three years.

Why this wanton onslaught upon American industries? Why this outrage upon American thrift and enterprise to test the theories of a political party which has never yet written a tariff law that brought prosperity to our land? Instead of encouraging and fostering the enterprises of our own people, this bill will throw a wet blanket of depression upon the aims and aspirations of our fellow countrymen and correspondingly bring joy and hope to people in other lands the world over. [Applause on the Republican side.]

Census statistics of Pennsylvania.

Industry.	Number of establishments.	Wage earners.		Value of products.		Value added by manufacture.		Per cent of increase.[1]			
		Average number.	Per cent distribution.	Amount.	Per cent distribution.	Amount.	Per cent distribution.	Value of products.		Value added by manufacture.	
								1904–1909	1899–1904	1904–1909	1899–1904
All industries	27,563	877,543	100.0	$2,626,742,000	100.0	$1,044,182,000	100.0	34.3	18.5	28.5	17.5
Iron and steel, steel works and rolling mills	189	126,911	14.5	500,344,000	19.0	171,331,000	16.4	37.5	9.3	36.1	10.6
Foundry and machine-shop products	1,695	86,821	9.9	210,746,000	8.0	109,735,000	10.5	37.4	.....	30.1	.....
Iron and steel, blast furnaces	66	14,521	1.7	168,578,000	6.4	26,504,000	2.5	56.9	5.8	25.4	−43.6
Leather, tanned, curried, and finished	163	14,008	1.6	77,926,000	3.0	18,813,000	1.8	12.2	24.8	34.2	6.1
Woolen, worsted, and felt goods, and wool hats	217	27,409	3.1	77,447,000	2.9	22,813,000	2.2	38.5	14.7	22.1	7.4
Cars and general shop construction and repairs by steam-railroad companies	132	46,645	5.3	76,035,000	2.9	34,634,000	3.3	24.6	41.7	20.8	43.9
Printing and publishing	2,461	24,696	2.8	70,584,000	2.7	47,831,000	4.6	28.2	36.4	22.7	33.7
Silk and silk goods, including throwsters	226	36,469	4.2	62,061,000	2.4	26,895,000	2.6	57.8	26.6	78.5	34.7
Lumber and timber products	2,667	26,873	3.1	57,454,000	2.2	30,140,000	2.9	1.3	5.2	−7.1	12.1
Petroleum, refining	41	2,900	0.3	53,088,000	2.0	5,648,000	0.5	11.9	35.7	33.8	14.4
Slaughtering and meat packing	180	3,050	0.3	51,851,000	2.0	7,006,000	0.7	56.6	29.6	47.2	27.6
Coke	146	15,331	1.7	51,816,000	2.0	18,054,000	1.7	79.1	29.8	29.5	31.5
Tobacco manufactures	2,432	33,188	3.8	50,161,000	1.9	29,448,000	2.8	22.7	24.9	18.0	20.4
Hosiery and knit goods	464	38,206	4.4	49,658,000	1.9	22,440,000	2.1	61.2	40.5	51.9	34.4
Liquors, malt	237	7,234	0.8	47,713,000	1.8	35,103,000	3.4	36.9	19.5	37.2	13.5
Bread and other bakery products	3,185	12,221	1.4	45,850,000	1.7	18,520,000	1.8	37.4	60.6	31.6	44.6
Flour-mill and gristmill products	1,450	2,432	0.3	44,783,000	1.7	6,613,000	0.6	16.3	30.3	24.4	12.9
Clothing, men's, including shirts	696	23,623	2.7	39,682,000	1.5	19,819,000	1.9	25.1	5.5	31.3	3.1
Cotton goods, including cotton small wares	175	16,293	1.9	33,917,000	1.3	15,160,000	1.4	29.0	3.3	26.6	2.4
Clothing women's	401	15,701	1.8	32,837,000	1.3	14,681,000	1.4	117.7	29.0	104.4	32.4
Glass	112	23,710	2.7	32,818,000	1.2	20,184,000	1.9	18.6	25.7	10.0	17.8
Electrical machinery, apparatus, and supplies	84	11,025	1.3	31,351,000	1.2	17,816,000	1.7	19.4	37.4	19.6	92.4
Cars, steam-railroad, not including operations of railroad companies	13	7,766	0.9	27,510,000	1.0	8,508,000	0.8	41.6	0.9	51.7	−20.7
Tin plate and terneplate	17	2,346	0.3	25,234,000	1.0	2,336,000	0.2	30.5	54.4	33.3	−19.2
Carpets and rugs, other than rag	93	11,510	1.3	24,879,000	0.9	10,231,000	1.0	−8.3	17.3	−1.8	11.5
Boots and shoes, including cut stock and findings	140	10,822	1.2	20,219,000	0.8	8,155,000	0.8	35.8	7.6	36.4	16.1
Paper and wood pulp	62	6,656	0.8	19,873,000	0.8	8,475,000	0.8	29.0	25.6	22.8	17.1
Furniture and refrigerators	304	9,924	1.1	18,952,000	0.7	9,913,000	0.9	48.3	26.9	35.1	32.3
Cement	27	8,080	0.9	18,855,000	0.7	8,747,000	0.8	84.2	.....	48.9	.....
Iron and steel pipe, wrought	11	3,873	0.4	18,291,000	0.7	4,209,000	0.4	90.1	−37.5	74.3	−35.5
Copper, tin, and sheet-iron products	339	6,815	0.8	17,197,000	0.7	8,346,000	0.8	77.5	35.6	76.2	35.3
Chemicals	37	3,185	0.4	15,978,000	0.6	5,778,000	0.6	35.7	.....	28.1	.....
Gas, illuminating and heating	99	3,119	0.4	15,840,000	0.6	11,741,000	1.1	46.5	37.3	53.2	62.4
Liquors, distilled	88	724	0.1	14,367,000	0.5	11,255,000	1.1	193.1	−8.5	330.6	−31.0
Paint and varnish	114	1,992	0.2	14,020,000	0.5	4,819,000	0.5	20.5	3.0	34.9	−24.1
Butter, cheese, and condensed milk	536	1,177	0.1	13,544,000	0.5	1,870,000	0.2	17.0	12.5	−2.9	22.0
Confectionery	251	5,408	0.6	13,542,000	0.5	5,339,000	0.5	34.4	34.6	27.4	31.5
Pottery, terra-cotta, and fire-clay products	139	9,003	1.0	13,072,000	0.5	8,963,000	0.9	21.5	32.4	14.2	38.3
Hats, fur-felt	38	7,220	0.8	13,023,000	0.5	8,010,000	0.8	77.2	73.2	73.3	94.5
Carriages and wagons and materials	655	7,498	0.9	12,748,000	0.5	7,041,000	0.7	10.9	9.9	6.8	6.2
Patent medicines and compounds and druggists' preparations	367	2,761	0.3	12,656,000	0.5	7,346,000	0.7	33.8	5.8	36.7	3.9
Dyeing and finishing textiles	135	6,086	0.7	12,059,000	0.5	6,728,000	0.6	77.7	−3.6	64.7	5.7
Marble and stone work	596	9,264	1.1	11,570,000	0.4	7,850,000	0.7	72.4	24.9	67.8	45.3
Canning and preserving	83	2,753	0.3	9,484,000	0.4	4,819,000	0.5	17.6	33.5	19.5	29.6
Brick and tile	326	8,058	0.9	9,225,000	0.4	6,772,000	0.6	26.7	22.3	19.2	18.0
Soap	59	1,197	0.1	9,124,000	0.3	3,177,000	0.3	31.1	92.6	9.4	91.1
Brass and bronze products	104	2,080	0.2	8,455,000	0.3	2,850,000	0.3	.....	.....	.....	.....

[1] Percentages are based on figures in Table I; a minus sign (−) denotes decrease. Where the percentages are omitted, comparable figures can not be given.

Census statistics of Pennsylvania—Continued.

Industry.	Number of establishments.	Wage earners.		Value of products.		Value added by manufacture.		Per cent of increase.			
		Average number.	Per cent distribution.	Amount.	Per cent distribution.	Amount.	Per cent distribution.	Value of products.		Value added by manufacture.	
								1904–1909	1899–1904	1904–1909	1899–1904
Cutlery and tools, not elsewhere specified	129	4,250	0.5	$3,022,000	0.3	$4,591,000	0.4	37.9	55.5	23.2	67.9
Stoves and furnaces, including gas and oil stoves	74	4,198	0.5	7,409,000	0.3	4,937,000	0.5	−3.7	.....	−8.5	.....
Millinery and lace goods	105	4,235	0.5	6,770,000	0.3	3,016,000	0.3	145.4	76.4	136.4	65.3
Fertilizers	48	1,224	0.1	6,543,000	0.3	1,930,000	0.2	59.8	12.4	60.3	13.6
Automobiles, including bodies and parts	44	3,199	0.4	6,532,000	0.3	2,481,000	0.2	432.8	1,138.4	297.0	819.1
Explosives	27	1,033	0.1	6,388,000	0.2	2,300,000	0.2	59.2	54.6	53.6	36.7
Shipbuilding, including boat building	31	3,558	0.4	6,178,000	0.2	3,468,000	0.3	−40.2	−28.7	−32.6	−29.7
Leather goods	156	2,524	0.3	5,824,000	0.2	2,671,000	0.3	13.0	28.9	6.4	18.4
Boxes, fancy and paper	118	4,604	0.5	5,184,000	0.2	2,894,000	0.3	32.7	30.8	29.8	29.2
Umbrellas and canes	45	2,315	0.3	5,060,000	0.2	1,912,000	0.2	−1.4	−12.6	5.4	−25.2
Steam packing	31	1,677	0.2	4,987,000	0.2	2,006,000	0.2	22.9	119.0	−15.7	132.6
Ice, manufactured	170	1,606	0.2	4,823,000	0.2	3,598,000	0.3	64.3	44.0	61.7	35.1
Chocolate and cocoa products	6	863	0.1	4,811,000	0.2	1,856,000	0.2	125.4	105.4	149.5	340.2
Cordage and twine and jute and linen goods	18	2,119	0.2	4,805,000	0.2	1,804,000	0.2	−6.5	−29.2	21.1	−17.6
Agricultural implements	36	2,401	0.3	4,805,000	0.2	2,723,000	0.3	−4.2	56.9	−7.4	49.6
Cooperage and wooden goods, not elsewhere specified	133	1,630	0.2	4,630,000	0.2	1,641,000	0.2	16.5	23.7	5.6	31.4
Saws	15	1,876	0.2	3,794,000	0.1	2,388,000	0.2	14.2	32.9	22.1	30.1
Paper goods, not elsewhere specified	34	1,357	0.2	3,719,000	0.1	1,494,000	0.1	.....	.....	.....	.....
Wall paper	11	1,056	0.1	3,695,000	0.1	1,386,000	0.1	22.2	4.5	11.2	19.1
Smelting and refining, not from the ore	24	206	(1)	3,577,000	0.1	599,000	0.1	29.8	9.3	26.1	4.2
Lime	348	3,258	0.4	3,342,000	0.1	2,304,000	0.2	32.9	.....	31.6	.....
Cork, cutting	10	1,727	0.2	2,965,000	0.1	1,296,000	0.1	−6.6	45.2	−5.7	28.7
Gas and electric fixtures and lamps and reflectors	75	1,482	0.2	2,962,000	0.1	1,723,000	0.2	16.5	1.2	0.9	17.2
Wood distillation, not including turpentine and rosin	50	933	0.1	2,960,000	0.1	1,276,000	0.1	−4.3	.....	−7.8	.....
Clocks and watches, including cases and materials	8	1,395	0.2	2,873,000	0.1	1,701,000	0.2	.....	.....	.....	.....
Coffins, burial cases, and undertakers' goods	36	1,103	0.1	2,757,000	0.1	1,182,000	0.1	38.6	63.8	20.1	56.4
Cars and general shop construction and repairs by street-railroad companies	65	2,442	0.3	2,747,000	0.1	1,653,000	0.2	118.2	1.1	113.0	19.6
Dentists' materials	23	1,072	0.1	2,745,000	0.1	1,420,000	0.1	17.5	27.8	53.2	9.3
Musical instruments, pianos and organs and materials	30	1,182	0.1	2,382,000	0.1	1,134,000	0.1	35.6	18.1	2.1	27.0
Boxes, cigar	77	1,801	0.2	2,328,000	0.1	1,076,000	0.1	23.9	21.0	25.7	33.1
Brooms and brushes	139	860	0.1	2,304,000	0.1	1,049,000	0.1	34.9	−3.4	17.2	8.1
Mattresses and spring beds	83	745	0.1	2,223,000	0.1	890,000	0.1	11.0	6.7	−0.2	21.9
Shoddy	20	450	(1)	2,051,000	0.1	588,000	0.1	−6.9	52.1	19.8	29.6
Buttons	24	1,123	0.1	1,565,000	0.1	819,000	0.1	73.9	−9.9	51.7	−9.4
Files	7	1,217	0.1	1,540,000	0.1	1,113,000	0.1	36.6	−8.8	52.0	−5.9
Fancy articles, not elsewhere specified	52	828	0.1	1,385,000	0.1	793,000	0.1	54.9	0.9	50.2	11.9
Belting and hose, leather	17	156	(1)	1,379,000	0.1	368,000	(1)	59.4	29.9	13.6	65.3
Safes and vaults	7	695	0.1	1,338,000	0.1	695,000	0.1	0.4	86.4	13.3	63.3
Artificial flowers and feathers and plumes	30	805	0.1	1,319,000	0.1	644,000	0.1	.....	.....	.....	.....
Jewelry	75	456	(1)	1,275,000	0.1	678,000	0.1	22.6	50.1	21.7	26.6
Fur goods	58	227	(1)	1,217,000	(1)	673,000	0.1	69.5	−8.5	95.1	−17.3
Photo-engraving	31	489	0.1	1,132,000	(1)	901,000	0.1	41.1	111.6	33.7	110.6
Hats and caps, other than felt, straw, and wool	53	744	0.1	1,097,000	(1)	554,000	0.1	3.2	.....	3.2	.....
Optical goods	24	579	0.1	1,053,000	(1)	602,000	0.1	125.7	− 8.0	90.5	− 0.3
Ink, printing	8	165	(1)	1,050,000	(1)	427,000	(1)	53.5	67.6	52.0	37.7
Typewriters and supplies	8	555	0.1	1,017,000	(1)	828,000	0.1	403.5	−54.4	483.1	−61.4
Crucibles	5	106	(1)	728,000	(1)	298,000	(1)	−7.1	−31.6	19.2	2.0
All other industries	2,893	56,433	6.4	211,025,000	8.0	75,276,000	7.2	.....	.....	.....	.....

[1] Less than one-tenth of 1 per cent.

[Mr. KINKAID of Nebraska addressed the committee. See Appendix.]

Mr. MANN. Is the gentleman from Alabama [Mr. UNDERWOOD] going to close in one speech?

Mr. UNDERWOOD. No; I will close with two speeches. I yield four minutes to the gentleman from Alabama [Mr. HOBSON].

Mr. HOBSON. Mr. Chairman, the result of this section is to insure that the American importer will choose the American bottom rather than other bottoms in which to import his goods from abroad. The general economic result will be a lowering of the tariff, not 5 per cent ad valorem, as some gentlemen have stated, but 5 per cent of the existing rate, which will be less than 2 per cent ad valorem. Now, the tendency of this result will be this: At present American agencies of transportation do not get a square deal. They do not have an equality of opportunity for the transport business of the high seas. It is in line with Democratic principle to help establish this equality of opportunity. And, furthermore, on the high seas to-day, on account of combines, there is a tendency to use the bludgeon and destroy the young company that tries to build up a transportation business by combinations that apportion all the business among themselves without lowering the rate. It will be in keeping with the spirit of the revision of this tariff bill, tending to curb the power of the combine, tending to prevent slaughter and the imposition of the strong upon the weak.

But, Mr. Chairman, it will have a broader significance. The time has come when America, that produces the great world staples, is going to secure the markets of the world in the great staples of clothing, in the great staples of construction, the great fundamental world staples, and ere long America will be able to produce, indeed, is now able to produce, these world staples cheaper than any other country. It means that we have come to a period when we must move out and gain the markets of the world. Now, to do this we must not be dependent upon our rivals and competitors for the transportation of our goods to the same competitive market. The time has come for America to give some serious attention to the question of her merchant marine. If I had time I would point out the great importance of the merchant marine for an efficient naval reserve, an important factor in national defense. Water transportation does not require the climbing of hills against gravity, or entail the heavy friction of solids on solids. Its inherited advantages for the transportation of a nation's power and commerce on the high seas will settle the future growth, prosperity, and the very survival of the great industrial nations now competing for supremacy. This paragraph is one of the most important paragraphs of the bill. It is a constructive measure inaugurated by the Democratic Party to build up our decayed merchant marine. The time has come to give serious consideration by our people to the question of foreign commerce, and the transportation of that commerce in American bottoms. It will really work the beginning of a new era in the maritime history of America.

The CHAIRMAN. The time of the gentleman has expired. The gentleman from Illinois [Mr. MANN] is recognized.

Mr. MANN. Mr. Chairman, in the closing of the general debate I called the attention of the committee to what seemed to me to be the inevitable fact, that the provisions in this section either amounted to nothing at all or else amounted to a discriminating duty of 15 per cent against goods imported in foreign bottoms. So learned a gentleman as the gentleman from Alabama [Mr. HOBSON], who has just spoken, has evidently been deceived by what I think is a sort of a confidence game in proposing subsection 7 of paragraph J, which reads:

A discount of 5 per cent on all duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels admitted to registration under the laws of the United States.

There is no question but that that provision in the bill provides that goods coming in American bottoms shall not pay 100 per cent of the tariff rate fixed to this bill, but shall pay only 95 per cent. But we have trade conventions with every maritime country of the world which provide that the goods imported in their bottoms shall pay the same rate and only the same rate as goods imported in American bottoms. If that be applicable to these countries, then, instead of collecting 100 per cent of the tariff rates on goods imported in foreign bottoms, we shall collect only 95 per cent, which is the rate fixed for goods imported in American bottoms.

But suppose that this provision in the bill takes the place of the conventions which we have in effect. Then I call the attention of the committee to subsection 1, which provides that in addition to the 100 per cent there shall be collected a discriminating duty of 10 per cent on all goods imported in vessels of countries where they do not pay the same rate of duty as is imposed on goods imported in vessels of the United States. The language is—

That a discriminating duty of 10 per cent ad valorem, in addition to the duties imposed by law, shall be levied, collected, and laid on all goods, wares, or merchandise which shall be imported in vessels not of the United States—

With this exception:

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.

In other words, if we do not admit goods imported in foreign bottoms at the same rate of duty as we impose on goods imported in American bottoms, then we are to add a 10 per cent discriminating duty against them.

The gentleman from Washington [Mr. HUMPHREY] has called attention to a few of the conventions—we have many of these conventions—which have been entered into because of this discriminating duty of 10 per cent, which has been carried in the law for many, many years. In the first place, we put on a discriminating duty of 10 per cent against goods imported in foreign bottoms in order to force foreign countries to admit our goods taken to those countries in American bottoms at the same rate as goods taken in their bottoms. It was the custom in the old days for a country to provide that goods imported in their own bottoms should pay a less rate of duty than goods brought in foreign bottoms. That was a discrimination against us, and hence we put into the law, years ago, a discriminating rate of duty of 10 per cent against all Nations which did not admit goods in our vessels at the same rates as goods transported in their own vessels.

Now comes a proposition designed to fool the American people—designed to fool even so learned a gentleman as the gentleman from Alabama [Mr. HOBSON], who is noted for his belligerency and his advocacy of the sea. Even he has been misled.

This bill as it stands now, of course, will never be enacted into law. Since I called the attention of the House to this subject in general debate the gentlemen in charge of the bill have been looking into it. While the gentleman from Alabama is too proud to admit amendments from this side of the House or to accept suggestions from this side of the House, he and I both know that this provision in the bill will be changed in the distinguished body at the other end of the Capitol and that all the pretense that you are attempting here to give a discrimination in favor of the American merchant marine will go out of the bill.

It is just a pure, calm game which has been exploded and goes up in the air. [Applause on the Republican side.]

Mr. UNDERWOOD. Mr. Chairman, has all time expired on the other side?

Mr. MANN. Well, I relinquish the remainder of my time.

The CHAIRMAN. All time has expired on the side of the gentleman from Illinois.

Mr. UNDERWOOD. Mr. Chairman, in five minutes I can not discuss all the issues that have been raised, but, as I pointed out to the gentleman from Illinois [Mr. MANN] a few days ago, subsection 1 of this paragraph relates to discriminations by foreign nations against our ships. Subsection 7 relates to a discrimination in favor of our shipping by our own country. The two propositions are entirely separate and distinct.

Now, there are gentlemen who contend that if subsection J were enacted law it would mean, instead of discriminating in favor of American shipping, that we will reduce the duties on all imported goods coming into this country by foreign vessels by reason of treaty rights. I never have believed in that contention. I do not think it is a fair construction of the law; but I have in my office here letters transmitted to me by the State Department, from three of the leading maritime nations of the world, protesting against this section, because they say it is a discrimination against their vessels. Now, if the contention that is being made by gentlemen on that side of the House is correct, that goods coming from Germany, or France, or England would be admitted 5 per cent cheaper than they would if this section was removed, I can not see why the ambassadors from three great maritime nations should protest against this paragraph. It may be that the chancellors, supposed to be learned in the law of nations, supposed to be here to guard their own countries, are mistaken as to the effect of this paragraph, and that the gentlemen on that side of the House are better lawyers as to the effect on their commerce and their ships than are the chancellors, but I am inclined to think that with the weight of their protests leaning in favor of the construction that I placed on this paragraph in the opening of this debate, it is safe to say that in the end this construction will be maintained.

Now, I do not contend that the proposition presented to this House is all that might be done or all that can be done in the future, but I do say that the time has come when the American people must turn their thoughts, their energies, and their patriotism to the upbuilding of a great merchant marine. [Applause on the Democratic side.] I have never believed in a subsidy, the taxing of one man for the benefit of another. It has never been sound doctrine on this side of the House, although that side of the House proposed it at one time, but could not enact it into law. But there never has been anything in remitting taxes for the benefit of the people that was in violation of the principles held by the men of our faith. There is a vast difference between levying a tax to build up a man's interest or his industry and remitting a tax or a portion of a tax in order that he may develop and grow. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The first amendment to be voted upon is the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY].

Mr. MANN. May we have the amendment reported?

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY].

The Clerk read as follows:

Page 207, line 1, after the word "or," strike out the word "domestic" and insert after the word "thereon," in line 7, the following: "All acts or parts of acts inconsistent with this subsection are hereby repealed."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY].

The amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Washington [Mr. HUMPHREY].

The Clerk read as follows:

Page 207, strike out all of subsection 7.

The amendment was rejected.

The Clerk read as follows:

J. Subsection 7. That a discount of 5 per cent on all duties imposed by this act shall be allowed on such goods, wares, and merchandise as shall be imported in vessels admitted to registration under the laws of the United States.

Mr. MOORE. Mr. Chairman, I move to strike out the last word.

Mr. UNDERWOOD. Mr. Chairman, I suggest to the gentleman that all debate on this section has been closed by order of the committee.

The Clerk read as follows:

K. The privilege of purchasing supplies from public warehouses, free of duty, and from bonded manufacturing warehouses, free of duty or of internal-revenue tax, as the case may be, shall be extended, under such regulations as the Secretary of the Treasury shall prescribe, to the vessels of war of any nation in ports of the United States which may reciprocate such privileges toward the vessels of war of the United States in its ports.

Mr. MOORE. I move to strike out the last word.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that the debate on this paragraph close in five minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. MOORE. Mr. Chairman, I make this motion merely for the purpose of having read from the Clerk's desk an article from the Marine Journal.

The CHAIRMAN. If there be no objection, the Clerk will read.

The Clerk read as follows:

A GOOD MEASURE RUINED—THE PREFERENTIAL DUTY GRANTED TO FOREIGN-BUILT AND PROBABLY FOREIGN-OWNED SHIPS.

That historic Democratic capacity for blundering is in painful evidence again, in the amendment hastily adopted by the House Democratic caucus to the preferential-duty paragraph of the Underwood tariff bill. As originally drawn and introduced by Chairman Underwood, this clause was sound and just, following the policy of the fathers of the Government and granting a remission of 5 per cent of the customs duties on goods, wares, or merchandise imported "in vessels built in the United States" and "wholly the property of a citizen or citizens thereof." This would have given employment to American shipyards and all the industries dependent on them, and would have created a real American merchant marine.

But the House Democratic caucus, at the instance of Representatives of the ship-hating Middle West, changed the paragraph so that the advantage of the preferential duty is bestowed upon "all vessels entitled to be registered under the American laws." The Panama Canal act of last August admits to American registry for the foreign trade any foreign-built vessel properly seaworthy and not more than 5 years old. Such a vessel would be held to be American owned by a corporation organized in the United States, though the bulk of the stock might be held and the real control exercised by foreigners.

Under these provisions it will be possible for the Hamburg-American or any other wholly foreign concern to set up a dummy corporation in this country, transfer a certain number of its foreign ships to American register, order a few ship officers to become naturalized, and under our easy-going laws claim the 5 per cent remission of customs duties, every cent of which in such a case would go out of our country to Europe. In time of war these foreign-built ships would be promptly taken out of American register and perhaps placed at the disposal of our enemies, as was done by the Hamburg-American Co. with some of its fast New York liners in the War with Spain.

The Democratic Party has fought long and successfully the subsidizing of real American-owned and American-built ships, but in this amended paragraph of the Underwood tariff bill the Democratic leaders are frankly giving, if not a subsidy, a very great advantage of 5 per cent of the customs duty of the foreign-built ships, nominally under the American plan but actually owned and controlled by the great shipping combinations of Europe. This unconscionable amendment will array against the Underwood bill the ship owners and builders of this country, in addition to the manufacturers and merchants, who are already so earnestly opposing it. The Marine Journal states its deliberate opinion that the preferential-duty paragraph as now bungled is worse than worthless for the development of a genuine American ocean fleet.

The CHAIRMAN. If there be no objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

L. That whenever any vessel laden with merchandise, in whole or in part subject to duty, has been sunk in any river, harbor, bay, or waters subject to the jurisdiction of the United States, and within its limits, for the period of two years, and is abandoned by the owner thereof, any person who may raise such vessel shall be permitted to bring any merchandise recovered therefrom into the port nearest to the place where such vessel was so raised free from the payment of any duty thereupon, but under such regulations as the Secretary of the Treasury may prescribe.

Mr. HOBSON. Mr. Chairman, I move to strike out the last word.

Mr. UNDERWOOD. I ask unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this paragraph and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. HOBSON. Mr. Chairman, I desire to consume these five minutes in referring to the economic conditions of the South, particularly as they exist in Alabama, as raised in connection with the remarks of the gentleman from Illinois [Mr. MANN]. I will not stop to refer to the handicap with which the South started out following the war, the impoverishment by the war, and the tremendous handicap of the reconstruction period, but I would like to call attention to this fact: The tariff policies of the Nation for the last 40 years have been a direct handicap upon the South along with other agricultural sections. This indirect system of taxation provides practically for the collection of about $309,000,000 annually in our customhouses. Now, it is estimated that there is collected from the people of the United States by the protected interests about $1,600,000,000, or six to one in excess of the tax that goes to the Government. Now, there are exceptions, but I make the broad statement that the activities of these great protected interests lie in the great cities, and that the net result has been that the taxing system of the United States for 45 years has given a stupendous advantage to the cities as against the rural sections, and the South is entirely rural.

Again, let me point to the question of the evolution of our financial policy, if you can say we have anything worthy of the name of a financial policy. We have developed a system under which the strong men control the financial facilities of the Nation. They can finance themselves—the powerful banker, the great manufacturer, the great merchant, those who live in the cities. But there is no such provision for the small men; no such provision for the farmers. The Federal banking law we have on the statute books actually forbids a national bank to loan money on a farm, the best security in the world.

Now, again, take the vital question of transportation. It has been the practice—and still is, in spite of the work done by the Interstate Commerce Commission—for the railroads to give reduced rates on carload lots when the goods are destined for the great cities. They are hauled through the little towns to the big cities, hundreds of miles farther on, at a cheaper rate than they are allowed to stop at the little towns.

The net result of this whole combination in the last 40 or 50 years has been a tremendous advantage for the great cities as against the rural sections. Therefore, in spite of our fair land and rich soil, the great trend of our population, unnaturally, for 40 years has been from the country toward the city. Now, the South is altogether rural, so that all the public policies of the Nation have kept the South down. In spite of these tremendous handicaps, the South in the last few years has made greater proportional progress than any other section of America; greater progress, indeed, than any other section of the world. But I wish to emphasize, Mr. Chairman, that the South is the promised land of the future, and I hope the gentlemen here will take this message to investment capital and to the young men of their districts. There is, indeed, a combination of conditions in the South that promises for the future—in the near future—a greater development than the world has ever seen.

Take the question of cotton, which the gentleman has very aptly referred to. The Gulf Stream flows not far from the coast, and with its warm current raises vast volumes of moisture into the air. Our continent is like a great funnel leading up from the Gulf Stream, the Appalachians on the one hand and the Rockies on the other, with the Great Lakes at the north, which are cold the year around. In the spring and early summer these conditions cause the great volumes of moisture from the Gulf Stream to pass over the South and on up the Mississippi Valley. This moisture is precipitated in its course and makes the cotton region in the South and the corn belt of the Middle West. Now, in the fall the reverse current sets in and we get the dry weather for maturing the cotton and gathering it. There are rich lands in other parts of the world, Mr. Chairman, but there is no place on earth where you will find a repetition of this meteorological condition. Consequently you can say it is decreed that the South for all time is the home of production of the primary staple of clothing for all the world. Governments have tried in every other land to produce it on a large scale and have failed. Fig leaves are out of fashion; hides, furs, silks, and wool are limited to a small fraction of the world's demand, while there can be some choice in foods, and for food man is adaptable, there is only one substance upon which all nations must depend for their clothes; and just as the world develops, the population increases, and civilization extends, just so the demand for cotton will grow.

I wish to complete the brief remarks I was making on the question of the economic conditions in the South and the great future of that section. I will insert here those remarks, and will, at the end of my remarks to follow, add an article of mine appearing in the current issue of the magazine, National Waterways.

The gentleman from Illinois [Mr. MANN] referred to the question of raising cotton. I finished my time at the point where I was pointing out that nature has decreed that the South has, and is to have, as long as the natural laws continue, the practical monopoly of the production of cotton, the great world staple of clothing.

Now, then, when the South comes to manufacture the finished product she then will control the greatest necessity of all human life. This will give to the South the economic supremacy of the world. This illustrates the general condition in that famed section. Take other raw materials; take those of construction; take the iron ores. We have in the South deposits in larger quantities, more easily mined than anywhere on this continent, in places mined by steam shovel. Take timber; we have the largest share of the remaining timber east of the Sierras. In cement we have deposits equal to the demand of the solar system for a thousand years. In salt and sulphur we have no rival. In stone, granites, and marbles, in clays, in aluminum, in phosphates, the same general condition exists. And so it goes.

Now, take the next element necessary in the development of an industry—power. On the Tennessee River there is 500,000 undeveloped horsepower and on the Coosa 200,000. The bulk of the remaining undeveloped water powers of the Nation are in the South.

Take the other source of power—coal; we have coal of high grade, including coking coal, in larger quantity and more easily mined than in any other part of this country or of the world.

The raw materials and the power are together. I wish gentlemen would mark that. When they produce the finished products in the Middle West and Pennsylvania, they have to transport the coal and the coke and other raw materials from three to five hundred miles to get them together. In the South they are right together, the raw materials and the power, side by side. The coal field and the water power are right in the cotton field. You can build your industry on top of the power, with the raw material all around you.

Now take transportation. Twenty-one thousand out of the total 27,000 miles of navigable waterways in the United States are in the South. These waterways lead directly from the centers of production down to tidewater, only short distances away; and the tidewater is the Gulf and the lower Atlantic, which lead directly toward the Caribbean and the Panama Canal, the future center of world distribution of the world's great staples. Thus, Mr. Chairman, our advantages of location and advantages for cheap transportation are on a level with our advantages for cheap production. These are the great factors that determine industrial, commercial, and financial supremacy. Possessing them all as no other section in the world or in the history of the world, we must look upon the South as the veritable land of promise, and we invite the enterprising citizens of all sections to join us in our matchless task of empire building.

Mr. Chairman, our advantages in the South are not simply material. The wave of commercialism which for 20 years has swept the other sections has missed the South as it lay in its poverty, its sackcloth and ashes, leaving ideals more in control. Our people are of American origin, over 95 per cent of old Anglo-Saxon stock, with ancestors going back to the Revolution, who live in the country and in small towns, and have escaped the degeneracy that is growing up in our great cities. [Laughter.] The distribution of the specific for degeneracy is proportional to the density of population, and it is true historically that the growth of great cities and centers of population entail degeneracy that threatens the liberties and in the end tends to undermine the vitality of a nation. The South is endeavoring to maintain her character, her lofty ideals, as well as to develop her material resources, and in the great problems and constructive tasks before the Nation and before the race the South is our greatest asset. [Applause.]

I will add here, under leave to print, an article of mine appearing in the current number of the National Waterways Magazine, of Washington, setting forth in more detail the opportunities of my native State of Alabama.

Up to the present time American industrial development has been chiefly confined to meeting requirements of the home market. This is largely due to the relatively undeveloped condition of the country and its natural resources and the very rapid growth of the home market itself. It is partly due to the high protective tariff policy, which, while it shuts out the industries of the world from the home market, also tends to exclude home industries from the world's markets. These conditions are now undergoing fundamental changes. American industries have assumed large proportions and are fast outgrowing the American market. To continue a steady natural growth they must now seek the markets of the world.

The impending revision of the high protective tariff rates will encourage this expansion. It may be said that America's industry is now entering upon a second period of its history, when it must go out and win and hold the markets of the world in the face of the competition of the industries of all other nations standing within their intrenched position of present possession.

The first determined effort on the part of American industries will be inaugurated with the completion of the Panama Canal, and will have for its objective the markets of South America and of the Pacific. The outcome of the struggle for supremacy will depend upon two prime factors: First, cheapness of production of the world staples and, second, cheapness of transportation from the country of production to foreign markets. It is no depreciation of the other great industrial centers of America to say that both of these prime factors are destined to be realized along the banks of Alabama's waterways, which, as sources of both cheap power and cheap transportation, will insure American supremacy in the markets of the world.

Two factors enter into the question of cheapness of production, assuming always that the question of labor is adjustable. The first is the assembling of raw materials, and the second is the availability of power for their manufacture. The first and foremost world staple is clothing, for which the masses are dependent upon cotton.

It scarcely needs to be pointed out that Alabama is located almost in the center of the cotton area of the South, which produces over two-thirds of all the commercial cotton of the world. The chief competitors of southern mills are to-day the mills of New England and the mills of Europe, both of which are compelled to bring their raw cotton from the South by long stages of transportation by rail or by rail and water combined. Therefore, other conditions being equal, the South must necessarily become the world's center for the production of cotton goods.

Construction materials, chiefly iron and cement, compose the second class of great world staples. Of these iron will be the center of competition; for its production two principal raw materials are necessary—ore deposits and coal. These two elements of raw material, together with the limestone for fluxing, are found side by side in the Alabama region, and are separated by hundreds of miles in all other competitive sections.

It is not necessary to describe the vast iron deposits of Alabama and the cheapness with which they can be mined. There is no parallel in the world, except in distant inland sections, like that of Lake Superior, whence the ore has to be transported long distances to the centers of industry.

Thus from the standpoint of assembling raw materials for the world's greatest universal staples of clothing and construction Alabama must be conceded the very first place in the United States and in the world at large.

The second factor in cheapness of production is the availability of power. Power may be divided into two classes—that derived from oil, coal, or gas, and that derived from water power. The coal deposits of Alabama are among the largest and most accessible of all the coal deposits of the world, covering an area of over 4,000 square miles. The thickness of the coal ranges from 50 feet down; over 300 square miles have an available thickness of 30 feet or more; 350 square miles a thickness of 20 to 30 feet; 600 square miles a thickness of 10 to 20 feet; and large areas from 2 to 10 feet.

It is difficult to estimate the total available tonnage, but it can be stated to exceed 75,000,000,000 tons, of which less than one-half of 1 per cent has been mined. Nearly all of this coal is of good coking quality. Specimens from the mines of Belle Ellen, Blocton, and Pratt City, which have been analyzed by the Government, show an unusually large percentage of fixed carbon, with an unusually small percentage of ash, moisture, sulphur, and other impurities, giving an extraordinarily high calorific rating, exceeding 14,000 British thermal units. Natural gas of an unusually high grade is found in great volume in this region, and every indication points to oil deposits also. Therefore in these sources of power Alabama can not be put in the second place to any other section.

In the resource of water power this region stands almost unparalleled in the whole world. Mussel Shoals alone will supply not less than 100,000 horsepower, and the tributaries of the Tennessee above Mussel Shoals will probably furnish as much more. (These figures, which are much smaller than published estimates, are those given by the United States Engineers for a dependable power throughout the year. The available power can be greatly increased by the use of reservoirs.) Rivaling the Tennessee is the Coosa River, with 200,000 horsepower available. Next to these two come the water powers of the Warrior River, notably that planned for Lock 17, a short distance from Birmingham. With high-potential transmission, the water powers of the Tennessee, Coosa, and Warrior are available for this whole region.

Taking account of both sources of power, which react advantageously on each other, this region stands without rival anywhere in the world, while the great raw materials are on the spot. Coal and water power are located in the cotton field and alongside the iron mine, a combination which has never been even approximated, and apparently never can be approximated, anywhere else. Cheap water transportation for ore on the Great Lakes can never overcome Alabama's inherent advantage. Both in assembling the raw materials and in supplying the power for their manufacture—the two factors in cheapness of production—the waterway region of Alabama stands supreme. I do not think that anyone who looks into the question will seriously challenge my statement that the conditions for ultimate cheapness of production for the great world staples place Alabama in a class by itself and unparalleled anywhere in the world.

The other great factor in winning the markets of the whole world will be cheapness of transportation from the centers of production to tidewater and from tidewater to the markets of the world. In the fierce competition that will result the inherent advantages of water transportation over land transportation will be a determining factor; water transportation uses a level, almost frictionless fluid of great weight, and does not involve the comparatively heavy friction of solids on solids. For heavy transportation, therefore, water must always offer an inherent advantage.

The question of transportation from tidewater to the markets of the world gives a great advantage to the Alabama section. With the completion of the Panama Canal the center of distribution of world staples will soon shift from the English Channel to the Caribbean Sea. Alabama will thus have tidewater outlets closer to the center of distribution than any other competitive center of production. Her advantage, however, will come in the cheapness of transportation from her centers of production to tidewater. There is no comparison with those distant inland centers which at present supply the home market. The Alabama centers are located close to tidewater to begin with, and will have the benefit of water transportation for even the short distance that intervenes. The Alabama, Tombigbee, Warrior, and Coosa Rivers will insure slack-water navigation straight from the centers of production to tidewater. Next to these will be the Tennessee River, which should have an outlet to the Gulf by way of one of the three rivers mentioned—the Tombigbee, Warrior, or Coosa—as well as by the Mississippi.

The development of navigation on the Warrior River is now largely an accomplished fact. The Federal Government has appropriated almost $9,000,000 toward this work, and 16 locks have been completed. With the completion of Lock 17, work on which is already begun, slack-water navigation will be extended to within a few miles of Birmingham, and I hope that before long it will reach the city itself. The Birmingham region may now start upon the realization of its destiny, which is to make supreme its reign over the foreign commerce of the world.

The development of the Coosa River is still backward, but it is now receiving the attention of the Government. The development of the Tennessee River has long been under consideration. This year's rivers and harbors bill carries an appropriation of $1,105,000 for the Tennessee River and $1,338,500 for the Black Warrior, Warrior, and Tombigbee Rivers.

Since these waterways are so intimately associated with the future of American supremacy in the world's markets, they should receive full and immediate consideration by Congress. The Panama Canal is so near completion that the world's struggle for the markets of South America and the Pacific is almost upon us. Our present largest centers of industry—the Pittsburgh-Cleveland-Chicago region—are advantageously located for the home market, but it is of the utmost national importance that the Alabama centers should be speedily developed as we enter the struggle for the markets of the world.

It is an interesting fact that the development of navigation on all three of these great streams goes hand in hand with the development of vast water powers. Their development, therefore, should be undertaken along the lines of a wise, permanent, national policy, comprising both navigation and water power, and the Alabama waterways should bring about the standardization of our national policy for navigable streams.

The recent appropriation for Lock 17 on the Warrior River provides for the acquisition of a site for future development of power, and secures to the Government the full title and riparian rights in that local-

ity. Henceforward it would be a wise policy for the Government to secure such title and riparian rights, and provide sites for power plants in all cases where the development of large power is involved in improvements for navigation.

In view of the fact that the whole question is rapidly becoming acute in all sections of the country, the time is ripe for establishing the principles under which the States should act in the case of waterways not navigable, and under which the Federal Government should act in the case of navigable streams; also, under which the Federal Government and States should jointly act in the latter case, and under which private individuals should act in conjunction with one or the other or both of these governments. It is time to establish by law a Federal commission on public works and conservation, or, at least, a bureau on these questions in the Department of the Interior.

Any permanent policy should take account of the following principles:

First. It is not wise for the Government to go into the system of production or the system of distribution, but it should confine itself chiefly to the system of regulation, such differentiation being in line with the evolution of all living organisms of a high type. It is when the Government is free from the burdens of production and distribution proper that it can best fulfill the important and vital function of regulation.

Second. It should be borne in mind that water, like natural light and air, belongs to the people at large and should not be monopolized for individual benefit. Every policy of common law or statute law should insure the ultimate public good, and at the same time protect the people in their property rights.

Third. The Federal Government, without violating the principle first laid down, can and should encourage the development of natural resources, particularly the water powers which are so intimately associated with the development of navigation. We should establish a uniform policy of cooperation between the Federal Government, the State government, and corporations and individuals in this development, the general principle being Government aid with reasonable regulation, and with the refunding, from the earnings of the improvements, of the original expenditure. I am inclined to think that to enable the people to proceed without having to wait upon large corporations we could very properly provide a large Federal fund for cooperating in power development on navigable streams along the general lines of the irrigation fund, which would never be exhausted and would be available for projects in the order of their importance as recommended by proper Government officers or by the bureau or commission referred to after its establishment.

I can not help adding a word of recommendation to young men seeking an outlet for their energies to go to Alabama and locate along these three great streams within a reasonable distance of their water power and navigation, because the attention of the whole country and the whole world will soon be directed to this region, following the completion of the Panama Canal. When once the world's attention is so directed, the unparalleled advantages for cheap production through the proximity of raw materials in vast abundance and of coal and water power in unlimited store, lying close to tidewater and with water transportation all the way to the markets of the world, will cause a development of industry and an enhancement of values so rapid that even the records of growth in the Pittsburgh, Cleveland, and Chicago sections will be far surpassed. In the matter of land values for farming purposes there will be a similar advance. Lands capable of the highest forms of production are now obtainable for a "song"—lands suitable not only for the raising of cotton, but also for corn, forage, live stock, including hogs and cattle, poultry, dairy products, garden truck, and fruits.

I would not undertake to name all of the promising points for location and investment, for almost all parts of Alabama would be good for investment at present values, but along the three waterways I might mention, as now ready for young men's energy, the following: Near the Tennessee River, Guntersville, Huntsville, Decatur, Athens, Florence, Sheffield, and Tuscumbia; along the Coosa and Alabama, Gadsden, Anniston, Attalla, Talladega, Childersburg, Wetumpka, Tallassee, Montgomery, and Selma; and along the Warrior and Tombigbee Rivers, Birmingham, Bessemer, Jasper, Cordova, Tuscaloosa, Eutaw, Demopolis, and Mobile.

Some day I expect to see the banks of the Tennessee River one solid city for 75 miles up and down on both sides, in the vicinity of Mussel Shoals. Likewise I expect to see Gadsden the center of industry for many miles around. I expect to see the region from Birmingham to Jasper and from Birmingham to Tuscaloosa built up like the region about Pittsburgh, while prosperous cities will spring up at short intervals all the way down the Warrior River. I expect some day to see Mobile the greatest shipping port in America, since it is the natural outlet to tidewater of the Alabama region, which is destined to give America the commercial supremacy of the world.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

M. That all articles manufactured in whole or in part of imported materials, or of materials subject to internal-revenue tax, and intended for exportation without being charged with duty and without having an internal-revenue stamp affixed thereto, shall, under such regulations as the Secretary of the Treasury may prescribe, in order to be so manufactured and exported, be made and manufactured in bonded warehouses similar to those known and designated in Treasury Regulations as bonded warehouses, class 6: *Provided*, That the manufacturer of such articles shall first give satisfactory bonds for the faithful observance of all the provisions of law and of such regulations as shall be prescribed by the Secretary of the Treasury: *Provided further*, That the manufacture of distilled spirits from grain, starch, molasses, or sugar, including all dilutions or mixtures of them or either of them, shall not be permitted in such manufacturing warehouses.

Whenever goods manufactured in any bonded warehouse established under the provisions of the preceding paragraph shall be exported directly therefrom or shall be duly laden for transportation and immediate exportation under the supervision of the proper officer who shall be duly designated for that purpose, such goods shall be exempt from duty and from the requirements relating to revenue stamps.

Any materials used in the manufacture of such goods and any packages, coverings, vessels, brands, and labels used in putting up the same may, under the regulations of the Secretary of the Treasury, be conveyed without the payment of revenue tax or duty into any bonded manufacturing warehouse, and imported goods may, under the aforesaid regulations, be transferred without the exaction of duty from any bonded warehouse into any bonded manufacturing warehouse; but this privilege shall not be held to apply to implements, machinery, or apparatus to be used in the construction or repair of any bonded manufacturing warehouse or for the prosecution of the business carried on therein.

No articles or materials received into such bonded manufacturing warehouse shall be withdrawn or removed therefrom except for direct shipment and exportation or for transportation and immediate exportation in bond to foreign countries or to the Philippine Islands under the supervision of the officer duly designated therefor by the collector of the port, who shall certify to such shipment and exportation, or ladening for transportation, as the case may be, describing the articles by their mark or otherwise, the quantity, the date of exportation, and the name of the vessel: *Provided*, That the waste material or by-products incident to the processes of manufacture in said bonded warehouses may be withdrawn for domestic consumption on the payment of duty equal to the duty which would be assessed and collected by law if such waste or by-products were imported from a foreign country. All labor performed and services rendered under these provisions shall be under the supervision of a duly designated officer of the customs and at the expense of the manufacturer.

A careful account shall be kept by the collector of all merchandise delivered by him to any bonded manufacturing warehouse, and a sworn monthly return, verified by the customs officers in charge, shall be made by the manufacturer containing a detailed statement of all imported merchandise used by him in the manufacture of exported articles.

Before commencing business the proprietor of any manufacturing warehouse shall file with the Secretary of the Treasury a list of all the articles intended to be manufactured in such warehouse, and state the formula of manufacture and the names and quantities of the ingredients to be used therein.

Articles manufactured under these provisions may be withdrawn under such regulations as the Secretary of the Treasury may prescribe for transportation and delivery into any bonded warehouse at an exterior port for the sole purpose of immediate export therefrom.

The provisions of Revised Statutes 3433 shall, so far as may be practicable, apply to any bonded manufacturing warehouse established under this act and to the merchandise conveyed therein.

Mr. AUSTIN. Mr. Chairman, I move to strike out the last word.

Mr. UNDERWOOD. Mr. Chairman, before the gentleman begins I would like to know how many gentlemen desire to speak on this paragraph.

Mr. VARE. Mr. Chairman, I would like to be heard for a short time.

Mr. UNDERWOOD. How much time does the gentleman desire?

Mr. VARE. Less than five minutes.

Mr. UNDERWOOD. Then, Mr. Chairman, I ask unanimous consent that debate on this paragraph and all amendments thereto be limited to eight minutes, five minutes to be controlled by the gentleman from Tennessee [Mr. AUSTIN] and three minutes by the gentleman from Pennsylvania [Mr. VARE].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. AUSTIN. Mr. Chairman, I have listened with a great deal of interest to what the gentleman from Alabama [Mr. HOBSON] said about the splendid and unlimited resources of the South. I fully agree with him about the bright and encouraging future ahead of that favored section of our great country, but I want to take this occasion to call attention to the wonderful and marvelous growth of the South in the past 30 years and place in the enduring records of this Nation a summary of that great march of material, commercial, and manufacturing development, taken from the Baltimore Manufacturers' Record, an agency for good in advertising, promoting, and encouraging the industrial growth of the South. In the last 30 years under a Republican protective tariff system or policy the South increased the annual value of its mineral products from $18,226,000 to $385,000,000, or at the rate of 2,016 per cent, as compared with the rate of 381 per cent for the balance of the country. In 30 years the South has increased annually its output of pig iron from 448,978 tons to 3,054,980, or at the rate of 580.4 per cent. It multiplied its capital invested in manufactures more than ten times, from $333,000,000 to $3,500,000,000, and the value of its manufactured products more than six times, from $662,840,000 to $3,900,000,000, or at the rate of 526 per cent, as against an increase in the balance of the country of 323 per cent.

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

Mr. AUSTIN. Yes.

Mr. BARTHOLDT. Was not all that progress and development achieved under Republican tariff legislation?

Mr. AUSTIN. Under the Republican protective-tariff system; and when I listened to the gentleman from Alabama [Mr. HOBSON] speak of the inexhaustible supply of coal and iron ore in the South I wondered why his party thought it necessary to go, under this bill, to foreign lands for our coal, iron ore, zinc, and other southern minerals. I wondered if he did not in his own mind believe that the best interest of the South was to continue a Republican protective-tariff system that would compel the American furnaces to use American iron ore as against Cuban iron ore, Spanish iron ore, Swedish iron ore, Mexican zinc, French bauxite, and coal from Nova Scotia and other portions of the world. [Applause on the Republican side.] When the gentleman from Alabama [Mr. HEFLIN] read a single letter from a cotton manufacturer in the South, when there are

850 cotton mills, the press of the city of Washington was publishing the fact that Senator OVERMAN, from North Carolina, had gone to the White House to protest against the low duties on cotton manufactured goods carried in this bill.

Mr. Chairman, I believe that the South will suffer a great wrong by the enactment of this bill. Had the delegates in the Baltimore convention listened to and heeded a majority of those delegates and the wishes of a majority of the Democrats in this land, they would have nominated and elected CHAMP CLARK President of the United States—the noblest Roman of them all. [Applause.] Had he been in the White House today, or since the 4th of March, in my opinion, we would never have been called upon to vote for such a tariff bill as this, which is against the material interest and development of our beloved Southland. [Applause.]

I offer in conclusion the statement from a recent issue of the Manufacturers' Record, of Baltimore:

SUMMONS OF THE SOUTH TO THE WORLD.

BALTIMORE, MD., *March 29, 1913.*

In summary of its special articles in this week's issue, designed to show the importance of the South in the Nation's development, the Manufacturers' Record says:

"The South summons the world to share in the making of the wealth that is to come to it within the next generation. The call is emphatic, because no other equal area on the globe offers as great opportunities of many kinds for the productive and remunerative application to natural resources of the energies of mind, muscle, and money; no other equal area has such a record as the South of a generation of achievement as a guaranty of greater attainments in the future.

"Handicapped by conditions beyond its control for 15 or 20 years, in which the rest of the country made extraordinary progress under the high-pressure influences of the opening of the era of organization of industry on a great scale, the South, once permitted to resume its farming, mining, and manufacturing activities interrupted by war, has in the past 30 years advanced to a point beyond that reached by the whole country in 1880. With one-third of the total area of the United States and with a population less than two-thirds that of the country in that year, the South is actually far ahead of the United States of 30 years ago on many leading lines, and, in proportion to population, on practically every line.

"Its invitation to the enterprise and financial and industrial instincts of the world is, therefore, grounded in tasks still to be accomplished gauged by what has already been done.

"Since 1880 the South, the section of 16 States, including Missouri and Oklahoma, has—

"Mined 1,657,173,560 tons of coal, increasing its annual output from 7,002,254 tons, less than one-tenth of the country's production, to 131,970,000 tons, or nearly one-quarter of the total, representing a rate of advance of 1,784.7 per cent.

"Mined 126,529,584 tons of iron ore, increasing its annual output from 702,515 tons to 5,736,000 tons, or at the rate of 715.9 per cent.

"Mined 41,400,000 tons of phosphate rock, increasing its annual output from 211,377 tons to 3,400,000 tons.

"Produced 802,200,000 barrels of petroleum, increasing the flow from 179,000 barrels to 84,800,000 barrels."

Increased its annual production of natural gas from a few million cubic feet to 290,000,000,000 cubic feet, nearly 57 per cent of the total output of the country.

Changed radically the status of the sulphur market of the world by exploiting beds of nearly pure sulphur and increasing the country's output from a few hundred tons to nearly 790,000 tons a year.

Brought within its limits the center of world production of lead and zinc.

Become the main source in this country of bauxite for the manufacture of aluminum.

Increased the annual value of its mineral production from $18,226,000 to $385,700,000, or at the rate of 2,016.2 per cent, compared with a rate of 381.5 per cent in the rest of the country.

Harvested 31,875,816,000 bushels of corn, wheat, and oats, and advanced to an annual production of 1,404,200,000 bushels of grain.

Marketed 305,000,000 bales of cotton, more than doubling the annual crop of the staple, involving the production since 1880 of 120,000,000 tons of cotton seed.

Expanded its annual production of rice from 2,254,000 bushels to 24,000,000 bushels.

Increased up to 1910 its agricultural capital (its investments in lands, buildings, implements, and live stock) from $2,762,077,000 to $10,961,866,000, or by $8,199,789,000, equal to 296.5 per cent, while the rest of the country had an increase at the rate of 221.4 per cent, there being a like divergence in favor of the South between the rates of increase in the value of agricultural products.

Cut 371,184,000,000 feet of lumber, increasing the annual output from 3,800,000,000 feet to 20,000,000,000 feet, or at the rate of 426.3 per cent, and marking an advance in the annual value of forest products from $75,215,000 to $652,153,000, or at the rate of 767 per cent, against an increase in the rest of the country at the rate of only 74.4 per cent.

Made 66,222,888 tons of pig iron, increasing the annual output from 448,978 tons to 3,054,980 tons, or at the rate of 580.4 per cent.

Made 145,940,905 tons of coke, increasing from 374,000 tons to 7,974,000 tons, or at the rate of 2,032 per cent.

Added 11,172,000 spindles and 237,500 looms to the equipment of its cotton mills, the annual consumption of the staple by them increasing from 111,770,000 pounds, or less than 15 per cent of the country's consumption, to 1,319,708,000 pounds, or more than half the country's consumption.

Practically created the cottonseed crushing industry, now having an annual output valued at about $150,000,000.

Developed its Portland cement output into an industry of 11,000,000 barrels annually.

Multiplied its capital invested in manufacturing more than ten times, from $330,000,000 to $3,500,000,000, and the value of its manufactured products more than six times, from $662,840,000 to $3,900,000,000, or at the rate of 526 per cent, against an increase in such value in the rest of the country of 323.4 per cent.

These notable developments called for the building of 66,064 miles of railroad, an increase at the rate of 265.6 per cent, compared with 92,668 new mileage in the rest of the country and a rate of 135.5 per cent increase.

They were reflected in exports to foreign lands to the value of $13,629,518,000 sent through southern ports, and a sum equal to 77 per cent of the value of foreign exports originating directly or indirectly in the South, the exports through southern ports increasing at the rate of 190.5 per cent, while those through ports in the rest of the country increased at the rate of 151.3 per cent.

Results of the developments appear in a trebling of the estimated true value of all property in the South, indicated in the addition of $1,918,633,000 to the aggregate resources of national banks, or an increase at the rate of 988.5 per cent; of $985,943,000 to the amount of individual deposits in such banks, or at the rate of 1,348.3 per cent; of $1,146,396,000 to the amount of individual deposits in other financial institutions, or at the rate of 976.1 per cent; and of $2,132,339,000 to the amount of individual deposits in all financial institutions, or at the rate of 1,118.9 per cent.

These are striking facts of progress; but they are merely to be regarded as sample exhibits spurring to far greater achievements. They demonstrate what may be done with the assets of the South in making the most of that greatest asset of the Nation, the task to which the South summons the world.

It will not be long before the forests of the South will be the main reliance of the country for much of its lumber supply. These forests are to be handled wisely with that fact in view.

Population of the United States, ever swelling in number at the rate of two million a year, is making greater and greater demands upon agriculture. The South has less than half of its 384,117,000 acres of farm land under cultivation, and has at least 100,000,000 acres more that can be made highly productive with the water drawn from wet areas and the utilization of cut-over timberlands.

Its 500,000,000,000 tons of coal, its billions of tons of iron ore, its great sulphur deposits, its phosphate rock, its rock salt, its lead and zinc and copper, its marbles and other building stones, its clays and other minerals, are still to be turned into economic values.

Nearly 240 separate kinds of manufacturing industries are the skirmishers in the battle for industrial supremacy of the world.

Who is able to let the summons be unheeded?

Mr. VARE. Mr. Chairman, in view of what the gentleman from Tennessee [Mr. AUSTIN] has just said, I send the following letter to the Clerk's desk and ask that it be read in my time.

The Clerk read as follows:

PHILADELPHIA, *May 6, 1913.*

Hon. W. S. VARE,
House of Representatives, Washington, D. C.

SIR: We have been advised that an impression prevails in Washington that the present Underwood bill is satisfactory to cotton manufacturers in this country, for the reason that few protests have been received.

We are not financially interested ourselves in New England or southern mills, but as cotton merchants we would most emphatically state that the provisions of the Underwood bill, instead of being satisfactory, are most unsatisfactory to cotton manufacturers both North and South, and particularly to the manufacturers of finer goods and finer yarns, who are already on a competitive basis under the present tariff.

Every manufacturer with whom we have discussed the situation is very blue, and very apprehensive for the future, and very much alarmed, and business is halted, as no one wishes to make any commitments in the face of the proposed tariff. We know from our own investigations that the widespread feeling of apprehension and distress is genuine, and we think it proper that the above facts be reported.

As far as our position is concerned, our business is international in its character, and if we can not sell cotton here we can easily expect to sell it abroad, so although our business interests are not seriously affected, we are not at all disinterested when we see the entire industry of cotton manufacturers so deeply stirred as they are over the proposed reduction.

I am sending the same letter to the other Representatives of Pennsylvania in the Senate and the House, with the hope that they may be able to do something to help the manufacturers in their efforts to obtain a smaller reduction than the proposed new duty on cotton yarns and cotton goods.

Yours, very truly, I. FRANKLIN MCFADDEN.

Mr. VARE. Mr. Chairman, I also send to the Clerk's desk the following article from the Philadelphia Inquirer on the falling off of the customs in that city, and ask that it be read.

The Clerk read as follows:

CUSTOMS RECEIPTS HIT BY TARIFF.

Customs receipts for the month of April show a decrease of almost $450,000 as compared with the amount collected during the corresponding month last year, according to the monthly report issued yesterday by Collector of the Port Chester W. Hill. The amount received during the month just ended was $1,206,843, while in April of 1912 $1,651,051 was the amount collected. This makes a decrease of $445,208.

While Collector Hill did not explain the great deficiency in receipts, it is believed by those in touch with the situation that the importers, instead of bringing in their goods at the present time, are storing millions of dollars' worth of foreign stuffs in the bonded warehouses, holding them there until the question of the tariff is definitely decided. Wool and sugar lead the imports among the goods now being placed in the Government's warehouses. The imports for the month, according to ship manifests, were almost as great as during April, 1912, but the goods have not yet been taken from the warehouses.

Mr. VARE. I will print also the following editorial from the Washington Times of May 2:

THE STEAM ROLLER ONCE MORE.

As an example of steam-roller methods in the most exaggerated form that has ever been demonstrated—yes, an example beyond which the fancy of man has never reached—the handling of the tariff in this current session is entitled to especial consideration.

Cannon and Aldrich, in their time, attempted nothing by way of suppressing individual opinion and imposing organization dictates that was more extreme. And their excesses were indulged in a time when there was a certain excuse for them, inasmuch as the caucus-bound organization was then the accepted and conventional thing. Nowadays that kind of thing is not regarded as necessary, as desirable, or as even excusable. The people who were most ardent critics of such methods four years ago are using them now.

The country does not feel so willing to forgive these methods as it once was. The tariff measure that is being jammed through Congress to-day represents no possible method of logical determination of proper duties. It is not free trade, it is not a consistent protective plan, it is not the old-fashioned tariff-for-revenue procedure that Democrats used to think they believed in. It is such an illogical anomaly that a new name has had to be coined for it, and so it is called a "competitive tariff." We will know more about what that means after we have seen it in operation awhile.

From the Ways and Means Committee's sittings with utterly inadequate hearings, down through the iron-clad, organization-ruled caucus, to the consideration on the House floor under rules of the most drastic sort, the tariff measure has been a demonstration of the excesses possible under the alleged reformed rules of the House, and under domination of a party that claims to be restoring the people to their right of ruling. That sort of thing "went" once when nothing better was known or demanded. But this year presents a different situation. The Progressive Party and the Republican Party have done away with the secret caucus in the House. Only the Democrats have stuck to the old method that the country has repudiated.

The same methods are being framed for putting the measure through the Senate in so far as Senate rules and traditions will permit. Party solidarity, the gagging of individual opinion, the suppression of independent action—these are the methods which have come back to us in their worst forms.

It should not be forgotten that the new tariff measure will be judged as well by the methods that forced it into the statute books as by the details of its construction and the results it shall produce.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

N. That the works of manufacturers engaged in smelting or refining, or both, of ores and crude metals may upon the giving of satisfactory bonds be designated as bonded smelting warehouses. Ores or crude metals may be removed from the vessel or other vehicle in which imported, or from a bonded warehouse, into a bonded smelting warehouse without the payment of duties thereon and there smelted or refined, or both, together with other ores or crude metals of home or foreign production: *Provided*, That the several charges against such bonds may be canceled upon the exportation or delivery to a bonded manufacturing warehouse established under section M of this section of the actual amount of metal produced from the smelting or refining, or both, of such ores or crude metals: *And provided further*, That said metal may be withdrawn for domestic consumption or transferred to a bonded customs warehouse and withdrawn therefrom upon the payment of the duties chargeable against it in that condition: *Provided further*, That all labor performed and services rendered pursuant to this section shall be under the supervision of an officer of the customs, to be appointed by the Secretary of the Treasury and at the expense of the manufacturer: *Provided further*, That all regulations for the carrying out of this section shall be prescribed by the Secretary of the Treasury.

Mr. DYER. Mr. Chairman, I move to strike out the last word.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this section, N, be limited to five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. DYER. Mr. Chairman, more than anything else I want to offer my sympathy to my colleagues here on the minority side from the city of Philadelphia, who are taking the passage of this bill so much to heart. I do not see why they should worry, but they indeed are worried and a great many of the Members on this side are worried. I represent a city district, one that has also some large manufacturing industries in it, some of the greatest in the country; but since the November election, Mr. Chairman, I have been satisfied that this law or a law similar to the one about to be enacted would pass the Congress of the United States. The people of this country by their action, or rather I should say in some respects by their nonaction, made it possible for this kind of a law to be passed, and knowing the program of the Democratic Party and knowing the position that they took at Baltimore and the position that they took in the preceding Congress under the leadership of the distinguished chairman of the Committee on Ways and Means of this House, I knew and my constituents knew, and they know now and have known ever since the November election, that a bill of this kind is going to pass, and I am glad for the time to come, as it has to come, when we can vote upon it and see it spread upon the statute books of this country, so that the people can see that this free-trade law will not bring happiness, joy, and prosperity, but, instead, want, misery, and suffering. I yield the balance of my time to the distinguished gentleman from Philadelphia [Mr. MOORE].

The CHAIRMAN. Without objection, the gentleman from Pennsylvania [Mr. MOORE] is recognized for one and a half minutes.

Mr. MOORE. How much time?

The CHAIRMAN. One and a half minutes.

Mr. MOORE. Mr. Chairman, in response to this unprovoked assault from my friend from Missouri [Mr. DYER], I desire to say that I am in hearty sympathy with everything that he has said. I have been as firmly convinced as he confesses himself to be that this bill would go through. There has never been any doubt in my mind about that, and if there had been any doubt at the beginning of this session of Congress, that doubt has now been completely removed. I am delighted to have this opportunity to say that the Democratic leadership of this House has exercised a degree of patience that is highly commendable. Some of us have been a little persistent on this side in pointing out the errors in this bill. We have undertaken to prove to the people that they were foolish in putting a Democratic majority in control of the House; but I am quite content to leave this whole question to the people, and to say that in the passage of the bill we have been treated with the utmost kindness, courtesy, and liberality by the distinguished gentleman from Alabama [Mr. UNDERWOOD], the leader of the majority. [Loud applause.]

The CHAIRMAN. Without objection, the pro forma amendment will be considered as withdrawn.

There was no objection.

The Clerk read as follows:

R. That whenever articles are exported to the United States of a class or kind made or produced in the United States, if the export or actual selling price to an importer in the United States, or the price at which such goods are consigned is less that the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to the United States at the time of its exportation to the United States, there shall, in addition to the duties otherwise established, be levied, collected, and paid on such article on its importation into the United States a special duty (or dumping duty) equal to the difference between the said export or actual selling price of the article for export or the price at which such goods are consigned and the said fair market value thereof for home consumption, provided that the said special duty shall not exceed 15 per cent ad valorem in any case and that goods whereon the duties otherwise established are equal to 50 per cent ad valorem shall be exempt from such special duty.

Mr. MANN. Mr. Chairman, there will be some debate on this proposition and some amendments. Perhaps we had better read section R through and then, without waiving any rights, return.

Mr. UNDERWOOD. I will ask the gentleman from Illinois if he objects to the Clerk finishing the section?

Mr. MANN. I am perfectly willing to finish the reading of section R with the right to amend any part of it.

The CHAIRMAN. Without objection, the Clerk will finish reading section R and then return to any paragraph thereof. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

"Export price" or "selling price" or "price at which such goods are consigned" in this section shall be held to mean and include the exporter's price for the goods, exclusive of all charges thereon after their shipment from the place whence exported directly to the United States.

The Secretary of the Treasury shall make such rules and regulations as are necessary for the carrying out of the provisions of this section and for the enforcement thereof.

Mr. MANN. Mr. Chairman, I desire to offer an amendment.

Mr. UNDERWOOD. Does the gentleman desire to make an arrangement about time?

Mr. MANN. I am perfectly willing to do so.

The CHAIRMAN. The Clerk will first report the amendment.

The Clerk read as follows:

Page 216, line 15, after the word "thereof," insert the following: "*Provided*, That in ascertaining the fair market value of foreign goods, as specified in this paragraph, the Secretary of the Treasury shall be assisted by a nonpartisan tariff commission to be appointed by the President."

Mr. UNDERWOOD. Mr. Chairman, I make the point of order that this is——

Mr. MANN. What is the point of order?

Mr. UNDERWOOD. That it is not germane to this section.

Mr. MANN. Well, I would like to be heard upon the point of order. Mr. Chairman, the paragraph in the bill, which is one feature of the bill that is purely a protective-tariff provision——

Mr. UNDERWOOD. I will say to the gentleman I believe it will take more time probably to hear him, and I withdraw the point of order——

Mr. MANN. That is not good, of course. [Laughter.]

Mr. UNDERWOOD. And will agree with him in regard to the time for debate.

Mr. MANN. How much time is wanted over here on this dumping clause? We desire 20 minutes.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that debate on this section be limited to 30 minutes, 20 minutes to be given to the gentleman from Illinois, 5 minutes to the gentleman from Pennsylvania [Mr. PALMER], and 5 minutes to the gentleman from Massachusetts [Mr. PETERS].

Mr. MANN. With the right of gentlemen to offer amendments and have them pending.

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that debate upon this paragraph and all amendments thereto shall be limited to 30 minutes, 20 minutes to be controlled by the gentleman from Illinois [Mr. MANN] and 10 minutes to be controlled by himself. Is there objection?

There was no objection.

Mr. FORDNEY. I wish to offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Strike out all of paragraph R and insert in lieu thereof the following:

R. That whenever articles are exported to the United States of a class or kind made or produced in the United States, whether dutiable or duty free, if the export or actual selling price to an importer in the United States or the price at which such goods are consigned is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to the United States at the time of its exportation to the United States, there shall be levied, collected, and paid on such article on its importation into the United States a special duty (or dumping duty) equal to the difference between the said export or actual selling price of the article for export or the price at which such goods are consigned, and the said fair market value thereof for home consumption, and this special duty (or dumping duty) in the case of dutiable articles shall be in addition to the duties otherwise established: *Provided*, That the said special duty shall not exceed 15 per cent ad valorem in any case and that goods whereon the duties otherwise established are equal to 50 per cent ad valorem shall be exempt from such special duty.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. FORDNEY].

Mr. FORDNEY. Mr. Chairman and gentlemen, the amendment which I have offered is practically the same paragraph as it is written in the Underwood bill, except that it covers articles on the free list as well as on the dutiable list. Now, as an illustration of the effect this amendment would have, an article upon the free list can be dumped upon our market at a price below its cost just the same as an article that is on the dutiable list, and therefore injure an industry in this country. That is the purpose of the paragraph itself. And the only difference between the language in the bill and the language of the amendment is that it includes the things on the free list.

I was much amused a little while ago by the remarks of the gentleman from the State of Washington [Mr. BRYAN]. This afternoon is the first I have learned that ex-Representative Warburton, of Tacoma, Wash., has a twin brother called "Bryan." Mr. Warburton used to make the same kind of speeches that Mr. BRYAN made here this afternoon; he talked himself into and out of Congress all in one Congress. Mr. Warburton, when the Democrats presented to this House a free-trade measure of their making and of their liking, would immediately spring to his feet and say, "I introduced that bill, and you have stolen it from me. You have changed the title of the bill only. I stand for that bill." That was generally Mr. Warburton's speech in the House. I notice that the gentleman from Washington [Mr. BRYAN] indorses everything in the Democratic tariff bill presented here to-day, if I understood him correctly.

Mr. BRYAN. I am going to vote for it. [Applause on the Democratic side.]

Mr. FORDNEY. I so understood you this evening; but if you are to vote for it, you should first declare your allegiance to the Democratic side of the House. I never ride one horse and claim I am riding another.

Mr. BRYAN. Will the gentleman yield for a moment?

Mr. FORDNEY. Yes; I will.

Mr. BRYAN. Do you not think it would be better to skin me direct than to skin some man who is not here to take care of himself? [Applause on the Democratic side.]

Mr. FORDNEY. Sir, the people of your State will skin you quickly enough and relieve me of that trouble. [Applause and laughter on the Republican side.]

Mr. SWITZER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Ohio [Mr. SWITZER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 215, lines 23 and 24, after the word "shall," strike out the words "in addition to the duties otherwise established."

Mr. MANN. Mr. Chairman, I yield one minute to the gentleman from Ohio.

Mr. SWITZER. Mr. Chairman, this portion is in line with the previous amendments that I have offered to the free-list schedule of this tariff act. The difference between this amendment and the amendment proposed by the gentleman from Michigan [Mr. FORDNEY] is this: His amendment would have the dumping clause apply to all the articles both upon the dutiable and upon the free list. The amendment that I propose will have this dumping clause apply to all the articles upon the dutiable list and the free list that are produced in this country, and it will not apply to articles that we do not produce in this country, like tea, coffee, rubber, and such things, so that it would not matter how cheaply they are made up or how cheap they may become, because we do not produce them.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. FARR].

The CHAIRMAN. The gentleman from Pennsylvania [Mr. FARR] is recognized for five minutes.

Mr. FARR. Mr. Chairman, I would like to know to what extent, if any, the dumping clause will protect us against the so-called sewing-machine trust, which sells 60 per cent of the family sewing machines bought in this country and which has large factories in foreign countries—one in Glasgow, another in Russia, another in Berlin, or one in course of erection in Berlin?

In the establishment in Glasgow the Singer Sewing Machine Co. employs 12,000 hands. The rate of wages received by their employees in that establishment is less than one-half the rate which is paid by the company to their workmen in this country. I am informed that the Singer Sewing Machine Co. is already making arrangements, in anticipation of the enactment of this bill into law, to supply all the machines that they may hereafter offer for sale in this country from their foreign concerns. They have a capitalization of $60,000,000 and a surplus of $40,000,000.

There are seven independent and competing sewing machine companies in this country, with a capitalization in all of $9,000,000. Will this dumping clause prevent the Singer Sewing Machine Co. from manufacturing its machines in foreign countries and selling them here?

There is another question that I would like to ask the chairman of the committee, and it is this: In case trouble should arise in one or more of the mills and plants of the alleged Iron and Steel Trust in this country, with the mutual sympathy and aid, which are the foundation stones of the international alliance which exists among the steel concerns—in case, I say, trouble should arise in their mills on this side, either through labor difficulties or some other cause, is there anything in this dumping clause that will prevent the Steel Trust from having steel rails made in Belgium or Germany or England? I understand the Steel Trust is now erecting a large plant in Canada.

A manufacturer of my city—and he is the only gentleman among the manufacturers in the district I have the honor to represent who does not express dread of immediate trouble from operation of this bill—a gentleman who calls himself "a small manufacturer," writes to me saying he has no fear at the present time on account of the industrial prosperity that prevails in European countries, but he fears that when a lull comes in the market danger and trouble will threaten the American manufacturers in consequence of the provisions of this bill.

In different sections of this bill I notice provisions helpful to large combinations, and this gentleman to whom I have referred writes that the Ways and Means Committee undoubtedly understand their business, but are losing sight of the delicate position occupied by the small manufacturers, particularly those who are 100 or 200 miles inland; and he observes that favoritism, whether intended or not, is shown in the bill toward the great interests. The Singer Sewing Machine Co. and the great Steel Trust have no fear of the tariff off sewing machines or steel rails. The increased tariff on ferromanganese—apparently so small, but really more important to an independent steel manufacturer in Pennsylvania than all the saving they could effect from the importation of free iron ore—will be an advantage to the United States Steel Co. and hurtful to the independents, because the Steel Co. can make it here and independents will have to import it and pay the duty. And in the case of iron ore itself the benefit is going to go to the trust and not to the independent manufacturers.

According to the testimony taken before the Ways and Means Committee no protest was brought by the Singer Sewing Machine Co. against the putting of sewing machines on the free list, while the independent sewing machine manufacturers very earnestly opposed it. And I notice that the Steel Trust had no representative before the Ways and Means Committee protesting against the rates on steel rails, but the independents were there in opposition to those rates.

Now, I want to ask the question again, Is there anything in this dumping clause that will prevent the transfer of the sewing-machine business to foreign countries, which would bring about the displacement of thousands of our workmen? And under this dumping clause is there anything that will prevent the United States Steel Corporation, for example, in case it should have labor troubles in its mills, or in case it should desire for other reasons to produce its rails in England, or Germany, or Belgium, from going ahead and doing that? Will the dumping clause prevent that and protect this country? I do not believe it will and there is serious danger of these large interests strengthening their control and injuring American industries without any benefit to the American consumer.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MANN. I yield five minutes to the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. Chairman, I wish briefly to discuss this paragraph as it is written in the bill. It is known as the dumping clause, and proposes to put certain duties, up to 15 per cent ad valorem, upon imports to this country which are consigned at prices less than the product is commonly sold for home consumption in the country of origin.

To find such a provision in a Republican bill would be very proper indeed, but to find it in a Democratic bill, that it has been stated over and over again has no element of protection in it and is designed only for purposes of revenue, amazed me exceedingly. When I read the clause I turned to the report of the committee to find what explanation the committee would make for this paragraph, and this is what the committee says:

Paragraph R is new legislation and provides for a dumping duty to guard the producers of the United States against the demoralization of American markets caused by the exportation from foreign countries of articles into the United States at prices less than the fair market value of the same articles when sold for home consumption in the usual and ordinary course in the country from whence they are exported to the United States. * * * And we are of the opinion that this paragraph will have a tendency to maintain steady and continuous importations all along the line and prevent the demoralization of American markets.

They say it is designed to guard the producers of the United States from the demoralization of American markets. Mr. Chairman, what is the definition of the word "guard"? I looked it up in Webster's Dictionary, and I find that Webster says that "guard" means "protect." And what is the definition of "protect"? Webster says it means "guard." So that in this paragraph for the first time in this bill of 217 pages they have a provision that is designed and has no other design than to protect American manufacturers from the demoralization of markets by importations from abroad. Can you justify that from your standpoint of a tariff for revenue only? Where in your bill, from Schedule A to Schedule N, have you shown the slightest consideration for the American producer? What have you cared, in the rates that you have written in this bill, as to whether American markets were demoralized or not? Where an item has been considered and debated here upon this floor and it has been shown to you that your rates would demoralize the American market, would injure the American producer, your reply has always been, "We can not consider that, for this is a tariff for revenue only, and we can only consider and guard the mass of the consumers of the United States." How is that consistent with this clause? Why have you added this provision here? Why would not the American consumer get these products cheaper if the manufacturers abroad chose to sell them here cheaper than in the country of origin? Would not the American consumer benefit by that? And when you are adding rates to the extent of 15 per cent ad valorem, what are you doing but protecting the American manufacturer?

I hope that some gentlemen upon the other side will either acknowledge that in one case here at least they have applied the doctrine of protection to American industries, or else explain what this is put in for and what it means.

Why, your own platform, also quoted in this report, says:

We declare it to be a fundamental principle of the Democratic Party that the Federal Government under the Constitution has no power to impose or collect tariff duties except for the purpose of revenue.

And yet, so far as this paragraph is concerned, you are trying to change that. You say, "We do not want the revenue, and we propose to add duties not for revenue, but clearly and simply for protection."

I congratulate the Democratic side on coming this close to protection, and if they will only follow a little longer along the same line, there may not be so much difference between the Democratic side of this House and the Republican side of it. [Applause on the Republican side.]

Mr. PETERS. Mr. Chairman and gentlemen, the paragraph covering this provision is called the "antidumping" clause, and stipulates that whenever articles are exported to the United States of a class or kind produced here, if the actual selling price to the American importer is less than the fair market value of the same article when sold for home consumption in the exporting country, there shall be levied, in addition to the usual duties, a special, or "dumping," duty of 15 per cent on the difference between the normal market value and the price at which it was sold for exportation. This dumping duty is to apply, whenever there is occasion, to all goods on which there is less than a 50 per cent rate.

Inasmuch as the regular duties are levied on the selling or invoice price, it has been difficult to detect fraud by undervaluation, although the local market price of the exporting country was well known to our Consular Service and customs collectors. The dumping duty will serve as an automatic check against fraud, in that importers will find it to their disadvantage to place a value on merchandise which is below its fair market value, for this practice would at once place them under suspicion, in case of deliberate undervaluation, or subject them to a surtax of 15 per cent in case goods were being dumped on our market.

Another feature of this new provision is that there will be increased stability in prices. The dumping duty will discourage foreign countries from unloading a large temporary surplus on our markets, which tends for a period to disturb prices and to unsettle business. This provision obviously will be a great benefit to the American producer.

An indirect benefit, and a very important one, which arises from increased uniformity in prices and the absence of unnatural fluctuation in market values is that the revenue of the Government will be more dependable and more accurately estimated. This tariff bill has been drawn on a revenue basis. We wish to make sure that there will be sufficient funds available to run the Government. On the other hand, we do not wish an unwarranted surplus, which means excessive taxation. In order to determine with any exactness the amount of revenue to be expected from the different tariff schedules, we must have a definite basis for our calculations. The market values of articles in the country from whence exported are easy to ascertain, and will afford the assistance which is so essential to a satisfactory administration of our customs laws.

The dumping provision has been in effect in Canada since 1907 in practically the same form as proposed in the committee's bill. We have every assurance that it has been successfully used there; and inasmuch as Canada is one of our nearest competitors, it behooves us to take a like action to insure us against discrimination.

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

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

Mr. PETERS. No; I can not yield.

Mr. MANN. Mr. Chairman, this provision of the bill provides for 15 per cent ad valorem duty in addition to the rates of duty otherwise fixed in the bill. In other words, if the rates in the bill are 15 per cent ad valorem, under this provision of the bill it may be raised to 30 per cent ad valorem. This provision in the bill is expressly and avowedly a protection measure—to protect the American manufacturer from the dumping of surplus products from foreign lands. It is not, according to the argument made by the gentlemen on the other side, in the interest of the consumer, because it proposes to place an extra 15 per cent duty on goods which the consumer may use.

But, even at that, I am quite willing to welcome Democrats out of Congress and Democrats in Congress into the ranks of protectionists in the country. [Applause on the Republican side.] After all, we are not so far apart in theory. The Republicans do not believe in a prohibitive tariff. The Democrats no longer are willing to say that they believe in a free-trade tariff. In this bill they admit by this provision that they wish to protect the American manufacturer from the dumping of surplus products from other lands.

I do not believe that anybody desires to ruin an American industry. But what is the reason there is a dividing line between the Democratic side of the House and the Republican side of the House as to the actual rates to go into a tariff bill? It is a lack of information. What we need is a body which will ascertain the facts.

Then we may know the facts upon which we will not levy a prohibitive tariff and the facts upon which we will protect manufacturers from the dumping of foreign goods upon our markets, whether it be the surplus products or other products. I have therefore put up to the other side of the House, which thus far has succeeded in anxiously avoiding any vote upon the tariff commission, an amendment prepared and suggested by the gentleman from Massachusetts [Mr. GARDNER], which provides for a tariff commission, and you gentlemen on the other side of the House will have to vote for it or vote against it, not only by a viva voce vote but by tellers. It is not the tariff commission that we would like to have. We would like to have a tariff commission with power to obtain all information, but this tariff commission proposed here can at least obtain information in regard to the fair market value of products produced abroad. You can take it or you can leave it; but, mark my words, if you do not take it now of your own volition, in the next Congress we will ram it down your throats. [Applause on the Republican side.]

Mr. PALMER. Mr. Chairman, I can understand how a gentleman like the distinguished minority leader, whose mind has been warped by a life-long devotion to a false economic principle, might not see the real purpose and intent of this provision in the law. He says it is protective, pure and simple. If so, he ought to be for it.

Mr. MANN. I am.

Mr. PALMER. I am for it because there is absolutely no protection in it, and if the gentleman from Illinois could forget his political prejudice long enough to study the underlying and fundamental principle upon which this bill is written he would be honest enough to agree with me in that. If a clause like this were written into a Republican high protective bill, it would be protective, but written into a Democratic revenue bill, providing for a competitive tariff, it is nothing but a governor to assure the real purpose of the bill, and I propose to tell you why in a very few words.

The ideal Republican protective bill has written into it rates which are prohibitive, rates which will operate to keep foreign competition away from this market. A Democratic bill has written into it rates which invite competition between the foreign manufacturer and the American manufacturer. The only chance that the consumer has under a Republican prohibitive tariff bill is by the dumping of the surplus of the foreign producer into this market, but in a bill which writes its rates upon a competitive basis, in order to maintain competition between the foreign producer and the American producer, it is proper to maintain the normal conditions which obtain when these competitive rates are written into law. We over here are opposed to that monopoly of the American market which rises out of prohibitive rates in a Republican bill, allowing the American producer to have a monopoly here by keeping the foreign article out. We are just as much opposed to a foreign monopoly of this market which might result from dumping goods into this market over competitive rates to such an extent as to secure that monopoly. We propose to take the American manufacturers and place their American courage against the world upon an even basis, give them honest competition with all the world, and keep it honest competition. [Applause on the Democratic side.]

Every great American manufacturer that appeared before the Committee on Ways and Means, men like Mr. Topping, president of the Republic Steel & Iron Co.; Mr. Crawford, of the Tin Plate Co.; and many others, declared that they could live under these Democratic rates, low as they were, by reducing the price of their product to the American consumer, if conditions would remain normal and not become abnormal. If foreign surplus were not sent here below cost, they could live.

Mr. Chairman, in the Baltimore platform we promised two things: First, that we would revise this tariff to a revenue basis; and, second, that we would do it without injuring any legitimate American industry. We have reduced these rates to a revenue basis, writing competitive rates throughout the bill, and under this clause we prevent foreign manufacturers from dumping surplus goods into this country to the detriment of the American manufacturer; by this provision we close the mouth of the American manufacturer, who can not now criticize this bill without in the same breath admitting his pusilanimous unwillingness to compete with the world on an even basis. [Applause on the Democratic side.]

Mr. Chairman, I am for this bill. I have supported it in committee and in this House with my whole heart and my whole strength, and I shall do the same when it goes before the great jury of our countrymen. I am for it because I see in it the dawn of a new era of industrial freedom for America. [Applause on the Democratic side.] I am for it also because this provision, along with the others we have written here, constitute an absolutely faithful redemption of every promise we have made to the American people on the tariff question. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired. The question will first be taken on the amendment offered by the gentleman from Ohio [Mr. SWITZER].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment proposed by the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Chairman, I ask to have the amendment again reported.

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection, and the Clerk again reported the amendment.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. MANN) there were—ayes 113, noes 195.

Mr. MANN. Mr. Chairman, I demand tellers.

Tellers were ordered, and Mr. MANN and Mr. UNDERWOOD were named to act as tellers.

The committee again divided; and the tellers reported—ayes 131, noes 224.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment proposed by the gentleman from Michigan [Mr. FORDNEY].

The question was taken, and the amendment was rejected.

The Clerk read as follows:

S. That the President shall cause to be ascertained each year the amount of imports and exports of the articles enumerated in the various paragraphs in section 1 of this act and cause an estimate to be made of the amount of the domestic production and consumption of said articles, and where it is ascertained that the imports under any paragraph amount to less than 5 per cent of the domestic consumption of the articles enumerated he shall advise the Congress as to the facts and his conclusions by special message.

Mr. CONNOLLY of Iowa. Mr. Chairman, I suppose that the older Members of this House get very tired when a new Member refers to the natural timidity that he feels in expressing himself for the first time before this body, but I feel somewhat timid, inasmuch as I have never had any experience in legislative assemblies, am quite new in politics, and being just an ordinary business man I have had scant opportunity to indulge in public speaking of this character. However, I have heard so much from the other side of the House about the disaster, the tragedy, the devastation that was to follow in the wake of what the Republicans call the great Underwood tornado that I am reminded of the minister who was asked to make some remarks about a gentleman by the name of Bill Payne. The minister did not know Bill Payne, and he began his remarks by stating, "Here lies the body of old Bill Payne. I did not know Bill Payne. Some say that he was a good Bill, others say that he was a bad Bill, I do not know which. I do not know whether you know which, but in the midst of this great sorrow, in the midst of this dejection and visitation of sadness, there remains before us this great supreme consolation, we all know Bill Payne is dead." [Applause.] Now, Mr. Chairman, the only point I can bring out as a justification for this story is that the voters of this country signified by their ballots on last November that they were willing to assist at the obsequies of the present protective Payne tariff bill. We have heard a great deal from the other side of the aisle about plurality Congressmen among the Democrats. But the issue was clearly drawn, and if the electors had such an awful fear of tariff revision they would have combined on some one man as against the Democrats.

To-night the newly elected Congressman from Massachusetts, to succeed Mr. WEEKS, coming fresh from the people and from a highly protected district, declared that he based his election largely upon the program of the Democratic Party for genuine revision downward, and almost immediately he was confronted by one of his colleagues with the statement that the combined vote of the Roosevelt Party and the Republican Party throughout that district meant that the majority of the voters adhered to the protective doctrine.

Now, we may as well be honest with ourselves, and you gentlemen on the other side had better cast off your cloak of hazy fog and admit that the main reason for your present minority was your failure in 1910 to revise substantially downward in accordance with your preelection pledges, and notwithstanding that there are several Members upon this side who are Congressmen by virtue of a plurality and not a majority, yet if the voters had the same horror of downward revision that you appear to have they would have united upon a protective candidate to defeat the Democrat, and though all of us on this side are not in complete accord with all the provisions of this bill and have so expressed our views before the members of the Ways and Means Committee, yet we have usually found that the framers of this bill were pretty well fortified with data and facts to support the various schedules. In a bill of 4,000 or more items there are bound to be some imperfections, but the man who is waiting for a bill that is perfect in its entire structure is a man that really does not want genuine revision downward. There must be some concessions made on all sides and from all localities, and rather than wait indefinitely for a relief from the present oppressive tariff I believe that we are justified in supporting this measure.

The gentleman from Minnesota [Mr. MANAHAN] declared the other evening that whatever wisdom this bill contained was inspired from a common almanac. In the same breath he referred to the sign of the Zodiac and said, "behold Taurus, the goat." It may be that he was unleashing an Irish bull on the House, but if he was in earnest his mistake on the Zodiac shows that he could also be in error on the inspiration of the Underwood bill. If this tariff revision downward has its inspiration in an almanac, it is the almanac of poor Richard; yes, the almanac that believes in the interests of poor Tom, Dick, and Harry, the almanac of the masses. The almanac that has inspired high protectionists is such as the Almanac de Gotha,

where are found the pedigrees of princes, dukes, and possibly tariff barons—the handbook of privileged protection.

Now, I happen to come from a district—and I say this in no spirit of braggadocio, because that is not the spirit in which I analyze my own election—a district that never before sent a Democrat to represent it. I came from a district upon which the spirit of a highly protective Republican gerrymander rested and when I realized that the only way I could win my fight was by being the recipient of a great many Republican votes I feel a keen sense of obligation to them as well as to members of my own party.

I can not feel as do the Members on the other side of the aisle about the chaos that will ensue and that all of the Democratic Members will by virtue of their vote on this bill be filled so full of holes that in two years we will not make even good sieves. For I feel that those Republicans who changed their party affiliation and gave me their support did so upon the theory that I belong to a party that would make a bona fide effort to relieve the great masses of the country from the heavy burdens of high protection. My opponent was a distinguished Member of this House; he was a protectionist. He had vastly more experience in legislation and in the field of politics than I. He stood for the Tariff Board, but I fear that the kind of a tariff board the protectionists want is a sort of a black hole of Calcutta out of which no genuine tariff revision bill downward could ever emerge alive. If the electorate of my district wished a continuance of the Payne bill, they would have elected my Republican opponent. If they felt that no tariff revision should be initiated except upon the report of a tariff board, they would also have given him their united support, and so I can not help but believe that the voters of my district felt that in close to 40 years or more of sending Republicans to represent them—Republicans who voted for a highly protective tariff—that they would at this time upset the gerrymander of the monkey wrench district and at the same time remove the shackles of a high-protective tariff. They decided to support the nominee of the Democratic Party as a means of relief from the old order of things, and in my district, as in many other districts throughout the country, the recent election forms a protest by the people against the old order, and the unequal conditions of the old order sounded the death knell of the doctrine of high protection. The people have placed us here because they desired a change and though this new fiscal medium may not be perfect in all its details, yet in a very great measure it expresses the spirit of the new life, the change that the people sent us here to consummate.

The prayer of all patriotic citizens who place their country above party is that this change—this readjustment suggested by the trend of the times and the voice of the great masses of the people—may have a fair trial; that as relief is the motive for the change, may normal conditions attend it. There is nobility and humanity back of the purpose of this bill to place the necessaries of life within the purchasing zone of the dollar of the toiler; to place the dinner basket closer to the pocketbook of the wage earner.

There is justice in laying the burden on the luxuries of life. Less luxury for the rich and more comforts for the poor will bring our citizenship closer together, will tend to develop saner standards of living, will level some of the inequalities of modern life, will vitalize our nationalism, and discourage the spirit of socialism.

Those who cry out in alarm against any change, who rally round the banner of "let well enough alone" are apt to forget that the condition of "well enough" is not in universal circulation, and these gentlemen, many of whom are sincere in their motives, are unconsciously abetting the socialistic movement in this country.

In the past 16 years of Republican rule we have undoubtedly seen expansion of industry and commerce, but under this system there has not been a commensurate distribution of the profits of production. On the contrary, it has been an era of concentration of capital and the fruits of production, such as the world has never before seen. Good Americans, regardless of party, rejoice in the growth of our industry and commerce, but become apprehensive at a system that has permitted the control of our financial sinews, our transportation and industrial resources, by a relatively small group of men. The prosperity and expansion has not had a comprehensive or consistent circulation.

In the income-tax feature of the bill our party has endeavored to place the burden upon those who can most easily bear it. It is a fair and just system of taxation.

The framers of this bill, the majority Members of this House, and the President of this administration are actuated in their support of this bill by lofty impulses, by a sincere desire and interest to accomplish the greatest good for the greatest number, to express in this piece of legislation the spirit of "equal rights to all, special privileges to none." [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Iowa has expired. Without objection, the pro forma amendment will be considered as withdrawn.

There was no objection.

Mr. PAYNE. Mr. Chairman——

Mr. UNDERWOOD. How much time does the gentleman on that side desire to use?

Mr. PAYNE. I think 15 minutes.

Mr. UNDERWOOD. I ask unanimous consent that all debate on this paragraph may be limited to 20 minutes, 15 minutes to go to the gentleman from Illinois [Mr. MANN] and 5 minutes to myself.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this paragraph and all amendments thereto shall close in 20 minutes, 15 minutes to be controlled by the gentleman from Illinois [Mr. MANN] and 5 minutes by the gentleman from Alabama [Mr. UNDERWOOD]. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. PAYNE].

Mr. PAYNE. Mr. Chairman, I rise to speak on this paragraph. The last paragraph proposed a protective duty against goods dumped here from other countries below the market price, and I accept the apologies of the gentlemen who appeared before the Committee of the Whole, both my friend from Massachusetts [Mr. PETERS] and my friend from Pennsylvania [Mr. PALMER].

I know that this paragraph is very dear to their hearts. They finally prevailed on the good nature of my colleague from New York [Mr. HARRISON], on the same committee, to allow this thing to go through without registering his protest, because he does not believe in any protection anywhere along the line. But the gentlemen on the committee had hardly gotten through writing this paragraph before they wrote paragraph S to follow it, seemingly desirous of taking the bad taste out of their mouths that the paragraph preceding had given them. And what does this paragraph say:

> That the President shall cause to be ascertained each year the amount of imports and exports of the articles enumerated in the various paragraphs.

And so forth,

> And where it is ascertained that the imports under any paragraph amount to less than 5 per cent of the domestic consumption of the articles enumerated he shall advise the Congress as to the facts and his conclusions by special message.

Of course, for the purpose of having Congress lower the duty on those articles. Why did they not think a little further and go on with their intentions expressed in the preceding paragraph, and provide that where he ascertained and reported that the imported articles exceeded by 50 per cent or more of the consumption, or was equal to it, that he should report that fact to Congress, and so allow my friend from Massachusetts [Mr. PETERS] and my friend from Pennsylvania [Mr. PALMER] to see to it that there was something done to make up the difference, something to allow competition on the part of the people of the United States, something to stop the flood of imports that was coming in, and crushing out industry here? Why, if you are honest in your promises not to injure any business, why could you not at least give that poor concession to the people of the United States who are seeking to earn their livelihood in the factories of the United States? Why could you not have said two things at the same time when you were drawing this paragraph, and provide protection in the lines of the last preceding paragraph, where more than 50 per cent of the consumption was imported from abroad?

Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has two minutes remaining.

Mr. PAYNE. That will be time enough in which to say that I am gratified, gentlemen, with the course of this debate. I have heard mighty little criticism of the present law. I have heard some denunciation, but not very much of it. It has been confined to new Members, a few of them who got in here for the first time, and will not appear here again after the Sixty-third Congress. [Laughter.] And some of these gentlemen, Mr. Chairman, say in conclusion that they will vote for the Underwood bill, but that there are a good many things in it they do not like. [Laughter.]

Why, if you gentlemen while you are voting for this bill, while you are holding your nose because you do not like the odor of it, would be honest to your convictions and vote against

it, it would fail in its passage on the final vote at midnight to-night. [Loud applause on the Republican side.]

Mr. MANN. Mr. Chairman, I yield five minutes to the gentleman from Wisconsin [Mr. LENROOT].

Mr. LENROOT. Mr. Chairman, the remarks of the gentleman from Pennsylvania [Mr. PALMER] a few moments ago were universally applauded upon the Democratic side of the House, and with reference to those remarks I want to say to the gentleman from Pennsylvania that if he had practiced in the writing of this bill what he preached in those remarks he would be entitled to a seat upon the Republican side of the House.

Now, what was the theory which the gentleman from Pennsylvania set forth in those remarks? Why, the Democratic Party starts out with the declaration that protection is a robbery. A little later they stand for a tariff for revenue only, and then a little later they stand for a tariff for revenue, and a little later they stand for a tariff for revenue with incidental protection, and now we have them standing—in their declarations, but not in their practices—for a competitive tariff. And the gentleman from Pennsylvania said that the reason for this dumping clause is that in this bill, shortly to pass, the rates they had written in the schedules are competitive rates, permitting American manufacturers to compete with the whole world, and having given such rates the American manufacturers were entitled to the imposition of import duties that would not demoralize the American market; and that means, if it means anything, at 10 o'clock of this day, if he speaks for the Democratic Party, that their next platform must declare that the Democratic Party stands for a competitive tariff, but promises the people of the United States that they will, by imposition of import duties, protect American manufacturers against unreasonable competition from abroad. [Applause on the Republican side.]

Does it mean anything else? Mr. Chairman, as I examine this bill, from the first schedule to the last, I am inclined to think that the gentlemen are sincere in that statement; that they are beginning to hedge; and I shall not be at all surprised if in the next campaign they will find themselves compelled to stand, if they ever want to come back into power, exactly where the rank and file of the Republican Party stand to-day—for the imposition of import duties covering the difference in the cost of production at home and abroad, protecting American producers from unreasonable competition from abroad. [Applause on the Republican side.]

Mr. MANN. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman from Illinois has seven minutes remaining.

Mr. MANN. Mr. Chairman, the pending paragraph provides that each year the President shall, as to all articles named in this bill, where the imports amount to less than 5 per cent of the domestic consumption, send a special message to Congress, announcing that fact and giving his conclusions in regard to it.

We used to think sometimes that we received a great many messages from a former President. But under the operation of this bill, with the many things which are produced wholly in the United States and of which we necessarily import none, the President will be kept busy writing messages to Congress and the Clerk will be kept busy reading them here.

But so far as the provision amounts to anything, what does it do? The tender consideration of the gentlemen on the Demcratic side for the foreign manufacturer is shown in this provision. We may import 95 per cent of an article and produce only 5 per cent, but no gentleman over on that side of the aisle seeks to encourage the home industry. There is no provision that the President shall call attention to that condition. There is no provision that the President shall send a message to Congress which will show Congress how, perchance, it may increase home industry and upbuild home manufactures and raise up factories and give work to home labor. But the moment the importations fall below 5 per cent, then the President shall send to Congress some recommendation showing how we may import more goods, made by foreign labor, aided by foreign capital in foreign countries.

There is no anxiety for the American producer, no desire to protect the American manufacturer. The whole interest is to take care of those who dwell on the other side of the water.

Mr. Chairman, we are now about the close of the debate upon this bill. It has been before the country for a month. It has met with severe condemnation in nearly every quarter of the country. Already business is becoming more or less stagnated through fear of the operations of this bill. I hope that when the bill has become a law that fear may disappear. And yet we all know that the highest type of statesmanship that the world has ever produced has been necessary to protect prosperity in any land. [Applause on the Republican side.] And with the utmost that people have been able anywhere to produce in legislation it is difficult to keep up prosperous conditions. You are endeavoring not to protect prosperity, but to threaten prosperity.

We leave it to the country. If you succeed, you will have accomplished the impossible. If you are able to give to the producer as high prices as before and to the consumer lower prices than before, you will have accomplished the impossible. But when you look at what is coming, and know that you are proposing an era of falling prices and that no party in the history of this or any other country was long successful during an era of falling prices, you may know that you are having your last chance at tariff legislation for another decade.

Twenty years ago you had the chance. Sixteen years ago the Republicans again took the reins of power, and for 16 years they kept them. We leave you now, meeting the country in the most prosperous condition it ever has been in. The country turns over to you the reins of power, with people happy everywhere, with people well to do everywhere; with people well clothed, well fed, well housed, with work to perform. Proceed and see if you can do as well, because the country will judge you, not by what is said here but by what happens in the future. [Prolonged applause on the Republican side.]

The CHAIRMAN. The gentleman from Missouri [Mr. CLARK]. [Prolonged applause.]

Mr. CLARK of Missouri. Mr. Chairman and gentlemen, in the language of the old hymn—

This is the way I long have sought.

[Applause on the Democratic side.]

A few of us have been fighting in this House for 20 years to accomplish what we are now going to accomplish in a few minutes. [Applause.] We have faced as many as 114 majority on that side, and now you face a majority of 191 on our side.

In the first place, I wish from the bottom of my heart to congratulate Mr. Chairman UNDERWOOD and the Democrats on the Ways and Means Committee for the excellent bill which they brought into the House. [Applause on the Democratic side.]

Four years ago, in the beginning of a five-hour-and-a-half speech in this House, I congratulated the gentleman from New York [Mr. PAYNE] on having become a historical person, because he had fastened his name onto a great tariff measure. I congratulate the gentleman from Alabama [Mr. UNDERWOOD] in the same language, for the same reason. [Applause.]

I congratulate this House on both sides for the good temper, the courtesy, and the kindliness with which this discussion has been conducted from end to end. It seems that our manners as well as our politics are improving in this country. [Applause and laughter.]

No tariff bill in the history of this Government was ever as thoroughly considered as this one has been. We considered it for two weeks in a Democratic caucus, section by section, paragraph by paragraph; and they can say what they please about it, but it was the two weeks' discussion in the caucus that brought unanimity in the House. [Applause on the Democratic side.]

My friend from Wisconsin [Mr. LENROOT] is very fond of quoting the speeches that I made on the floor of the House, especially when I was minority leader. They are good speeches. [Laughter and applause.] Some time before long I want him to get up here and read a five-minute speech that I made when they forced the rule through this House to consider the Payne tariff bill. I said then that I was in favor of discussing a tariff bill section by section, and of permitting any Member of the House to offer any amendment he pleased. [Applause.] And it has come to pass; it is being done. There has been no rule brought in. You gentlemen can not kick and squirm hereafter. [Laughter.] There has been unanimity, but it was not the unanimity brought by the lash of the taskmaster. [Applause.]

The gentleman from Illinois [Mr. MANN] says that 20 years ago we passed a tariff bill and split up. That is the truth. This time we pass a tariff bill and stick together. [Applause on the Democratic side.] And the thing that has brought the discipline to the Democratic side of this House is the force of brotherly love, instead of the black-snake whip of a taskmaster. [Applause on the Democratic side.]

Now the doctors disagree on the Republican side of the House. The gentleman from Wisconsin [Mr. LENROOT] says this is a protection measure. The gentleman from Pennsylvania [Mr. MOORE] and the gentleman from Wyoming [Mr. MONDELL] have made 200 speeches apiece in the discussion of this bill [laughter] to demonstrate that it is a free-trade measure. When doctors disagree, what are we to do? We stand for a tariff for revenue only. That is the Democratic doctrine, always has been the

Democratic doctrine, and always will be the Democratic doctrine until it is fully realized and accomplished. [Applause on the Democratic side.]

Why, the gentleman from New York [Mr. PAYNE] says that some people do not like some things in this bill. Of course they do not. I would like to get him on the witness stand and swear him, and cross-examine him as to whether he liked his own bill or not in every particular. [Applause and laughter.] I will tell you what a tariff bill is: It is the consensus of the opinions of at least 218 men in this House, 49 men in the Senate, and 1 man in the White House. That is what makes a tariff bill. And there never were two men on the face of the green earth, with brains in their heads, who would agree on all the 4,100 items in a tariff bill. But I say that by the patience and the intelligence of this Ways and Means Committee, by the patience and intelligence of the Democratic membership of this House, we have got a bill that we can go to the country on, and stand on, and the country will call us blessed. [Applause on the Democratic side.]

How did these gentlemen over here on the Republican side spend their time? My brother MANN is one of the most ingenious men that ever poked his head inside of this Hall. [Laughter and applause.] I think a great deal of him. I have stated that time and again. But 95 per cent of the amendments that these gentlemen over here offered were to restore the Payne rates, and the Payne bill was the very thing that brought the Republican Party to death's door in this country. [Laughter and applause on the Democratic side.] From the amendments these gentlemen offered it appeared that they do not want any political resurrection for themselves in this world. [Laughter.]

I am not going to weary you. [Cries of "Go on!"] No, no. We want to pass this bill. That is the chief thing, and we want to pass it to-night. [Applause.] I believe that it will bring prosperity to the country greater than it has now. The greatest thing that this country needs is a wider market for our surplus products, and that is what this bill will bring. [Prolonged applause on the Democratic side.]

The CHAIRMAN. All debate on the paragraph has expired, and, without objection, the pro forma amendment will be withdrawn.

Mr. BROUSSARD. Mr. Chairman, I ask unanimous consent that I may have five minutes on this amendment.

Mr. UNDERWOOD. Mr. Chairman, debate on the paragraph is closed, and I am compelled to object.

The Clerk, proceeding with the reading of the bill, read as follows:

T. That, except as hereinafter provided, sections 1 to 42, both inclusive, of an act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1909, and all acts and parts of acts inconsistent with the provisions of this act, are hereby repealed: *Provided*, That nothing in this act shall be construed to repeal or in any manner affect the following numbered sections of the aforesaid act approved August 5, 1909, viz: Subsection 29 of section 28 and subsequent provisions relating to the establishment and continuance of a Customs Court, subsection 30 of section 28, providing for additional attorneys general, subsection 12 of section 28 and subsequent provisions establishing a Board of General Appraisers of Merchandise, sections 30, 31, 32, 33, and 35, imposing an internal-revenue tax upon tobacco, section 36, providing for a tonnage duty, section 39, authorizing the Secretary of the Treasury to borrow on the credit of the United States to defray expenditures on account of the Panama Canal, section 40, authorizing the Secretary of the Treasury to borrow to meet public expenditures: *Provided further*, That all excise taxes upon corporations imposed by section 38 that have accrued or have been imposed for the year ending December 31, 1912, shall be returned, assessed, and collected in the same manner, and under the same provisions, liens, and penalties as if section 38 continued in full force and effect; but the repeal of existing laws or modifications thereof embraced in this act shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil case before the said repeal or modification; but all rights and liabilities under said laws shall continue and may be enforced in the same manner as if said repeal or modifications had not been made. Any offenses committed and all penalties or forfeitures or liabilities incurred prior to the passage of this act under any statute embraced in or changed, modified, or repealed by this act may be prosecuted or punished in the same manner and with the same effect as if this act had not been passed. All acts of limitation, whether applicable to civil causes and proceedings or to the prosecution of offenses or for the recovery of penalties or forfeitures embraced in or modified, changed, or repealed by this act shall not be affected thereby; and all suits, proceedings, or prosecutions, whether civil or criminal, for causes arising or acts done or committed prior to the passage of this act, may be commenced and prosecuted within the same time and with the same effect as if this act had not been passed.

Mr. PETERS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amend, page 217, line 12, by striking out the word "general."

Mr. PETERS. Mr. Chairman, this amendment is to strike out the word "general." Subsection 30, section 28, provides for an Assistant Attorney General, and the other customs attorneys, and by striking out the word "general" here the words "attorneys" are left in the proper language to carry out the references to what the section does. I now move to close all debate on this paragraph.

The CHAIRMAN. The gentleman from Massachusetts moves to close all debate on the paragraph.

The motion was agreed to.

Mr. ANDERSON. Mr. Chairman, I offer the following amendment to the last paragraph.

The Clerk read as follows:

On page 217, line 21, after the word "expenditures," insert: "*Provided further*, That the act entitled 'An act to promote reciprocal trade relations with the Dominion of Canada, and for other purposes,' approved July 26, 1911, be and is hereby repealed."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. ANDERSON) there were 107 ayes and 213 noes.

Mr. MANN. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. ANDERSON and Mr. UNDERWOOD.

The committee again divided; and the tellers reported that there were 121 ayes and 222 noes.

So the amendment was lost.

Mr. HULL. Mr. Chairman, I ask unanimous consent to return to page 133, paragraph A, for the purpose of offering an amendment.

Mr. MANN. Mr. Chairman, the gentleman has the right to return under the unanimous-consent agreement entered into the other day. I offered an amendment on that paragraph at the request of the gentleman from the Philippines [Mr. QUEZON], and it was laid over to enable the committee to inquire into the matter. I understand that the committee are of the opinion that there should be some change, and they have suggested an amendment, and I am quite willing to agree to their proposed change. I ask leave to withdraw my amendment.

The CHAIRMAN. Under the order heretofore made, the committee will return to the consideration of the paragraph mentioned, and, without objection, the amendment of the gentleman from Illinois will be withdrawn.

There was no objection.

The CHAIRMAN. The gentleman from Tennessee [Mr. HULL] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, page 133, lines 6, 7, and 8, by striking out the following words: "and by every citizen of Porto Rico, and by every citizen of the Philippine Islands."

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. HULL. Mr. Chairman, I offer the following amendment in the same connection.

The Clerk read as follows:

Amend, paragraph N, page 162, by adding at the end of the paragraph the words: "*And provided further*, That nothing in this section shall be held to exclude from the computation of the net income the compensation to any official by the government of Porto Rico or the Philippine Islands or the political subdivisions thereof."

The question was taken, and the amendment was agreed to.

The Clerk, continuing the reading of the bill, read as follows:

U. That unless otherwise herein specially provided, this act shall take effect on the day following its passage.

Mr. MOSS of West Virginia. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Strike out paragraph U and insert the following:

"U. That the provisions of section 2 of this act shall take effect on the day following the passage of this act, and that the taking effect of all other provisions of this act shall be indefinitely postponed."

[Laughter.]

Mr. UNDERWOOD. Mr. Chairman, I think it is very evident that the amendment offered by the gentleman from West Virginia is in accordance with the views of his side. I would like to know if he desires to occupy any time.

Mr. MOSS of West Virginia. No.

Mr. UNDERWOOD. Then, Mr. Chairman, I move that all debate on the pending paragraph and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia.

The question was taken, and the amendment was rejected.

Mr. TOWNER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

To amend paragraph U, section 4, as follows:

By striking out lines 24 and 25 on page 218 and substituting in lieu thereof the following:

"The provisions of this act shall take effect on the 1st day of January following the passage of this act, unless otherwise herein expressly provided, except that as to all reductions on existing rates of import duties made on articles specified herein, the provisions of this act shall take effect and be operative on such imports from any country, dependency, province, or colony upon proclamation of the President, and the President shall not issue such proclamation unless and until like and compensating reductions, concessions, and privileges have been secured from such importing country, dependency, province, or colony."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was rejected.

Mr. UNDERWOOD. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to; accordingly, the committee rose, and the Speaker having resumed the chair, Mr. GARRETT of Tennessee, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 3321—the tariff bill—and had directed him to report the same back to the House with sundry amendments thereto, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. UNDERWOOD. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. MANN. Mr. Speaker, I ask for the reading of the engrossed bill, unless we can have some understanding about how long we are going to stay here to-night.

The SPEAKER. The gentleman from Illinois demands the reading of the engrossed bill.

Mr. MANN. Mr. Speaker, I reserve the right to make that demand until I can find out what is the intention of the gentleman from Alabama.

Mr. UNDERWOOD. Mr. Speaker, it is my desire, and I think it is the desire of the House, to pass the bill to-night, if it is possible. Of course, I recognize the gentleman's right to demand the reading of the engrossed bill. The bill can not be engrossed until to-morrow, and if the gentleman insists upon it we will have to adjourn.

Mr. MANN. Mr. Speaker, I desire to be heard at some length upon the point of order which I understand the gentleman from Alabama proposes to make on our motion to recommit, which will provide for a tariff commission. If the gentleman will not make his point of order, I will be very glad to withdraw my demand for the reading of the engrossed bill, but if the point of order is to be made I wish to be heard before the Speaker rules upon it.

The SPEAKER. The gentleman will be heard, because that matter is entirely within the hands of the Speaker.

Mr. MANN. I understand, but it is rather late at night to endeavor to detain gentlemen for the purpose of hearing debate upon the point of order. I think it would lead to some discussion.

Mr. UNDERWOOD. Mr. Speaker, I will say to the gentleman that I must insist upon my point of order, if the motion to recommit is made in the manner suggested by the gentleman from Illinois. Of course I have not yet seen the motion to recommit.

Mr. MANN. Mr. Speaker, the motion to recommit, as first presented by the gentleman from New York [Mr. PAYNE], will contain the provision in reference to a tariff commission which was offered in the Committee of the Whole and ruled out of order by the Chairman.

Mr. UNDERWOOD. Then, Mr. Speaker, I will be compelled under those circumstances to make the point of order against the motion when it is made.

Mr. MANN. Under the circumstances I shall be compelled to ask the reading of the engrossed bill.

DAILY HOUR OF MEETING.

Mr. UNDERWOOD. Mr. Speaker, the enrolling clerk informs me that he can not have the bill ready before to-morrow afternoon. I desire to ask unanimous consent that the daily hour of meeting of the House hereafter shall be changed from 11 o'clock a. m. to 12 o'clock noon.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the daily hour of meeting shall be 12 o'clock noon instead of 11 o'clock a. m. until further order. Is there objection? [After a pause.] The Chair hears none.

Mr. UNDERWOOD. Then, Mr. Speaker, I ask unanimous consent that when the House adjourns to-night it adjourn to meet at 2 o'clock p. m. to-morrow.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House adjourns to-night it adjourn to meet at 2 p. m. to-morrow. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT.

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

The motion was agreed to; accordingly (at 11 o'clock and 7 minutes p. m.) the House adjourned to meet at 2 p. m. to-morrow, Thursday, May 8, 1913.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

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

By Mr. LONERGAN: A bill (H. R. 4826) for the enlargement of the Federal building at Hartford, Conn.; to the Committee on Public Buildings and Grounds.

By Mr. BROWN of West Virginia: A bill (H. R. 4827) to amend section 113 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. KALANIANAOLE: A bill (H. R. 4828) to further regulate the leasing of land in the Territory of Hawaii; to the Committee on the Territories.

By Mr. EVANS: A bill (H. R. 4829) to provide for the purchase of ground and the erection of a Weather Bureau observatory building at Billings, Mont.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4830) to provide for the purchase of ground and the erection of a Weather Bureau observatory building at or near the Montana State University, at Missoula, Mont.; to the Committee on Agriculture.

By Mr. J. M. C. SMITH: A bill (H. R. 4831) amending section 2 of an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908; to the Committee on Pensions.

By Mr. MOSS of West Virginia: A bill (H. R. 4832) to create in the War Department and the Navy Department, respectively, a roll designated as "the Civil War volunteer officers' retired list," to authorize placing thereon with retired pay certain surviving officers who served in the Army, Navy, or Marine Corps of the United States in the Civil War, and for other purposes; to the Committee on Military Affairs.

By Mr. FALCONER: A bill (H. R. 4833) to provide for the construction, maintenance, and improvement of a system of national interstate roads, and to provide funds for the same; to the Committee on Agriculture.

By Mr. GARDNER: A bill (H. R. 4834) to repeal the apportionment clause of the civil-service act; to the Committee on Reform in the Civil Service.

By Mr. SMITH of New York: A bill (H. R. 4835) to suppress lobbying and to provide for registration of persons employed to advocate or oppose legislative measures and to regulate the method of such advocacy or opposition; to the Committee on the Judiciary.

By Mr. LEWIS of Maryland: A bill (H. R. 4836) to reclassify clerks at first and second class post offices and carriers in the City Delivery Service; to the Committee on the Post Office and Post Roads.

By Mr. AINEY: A bill (H. R. 4837) granting pensions to certain widows of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado: A bill (H. R. 4866) giving a new right of homestead entry to former homesteaders; to the Committee on the Public Lands.

Also, a bill (H. R. 4867) defining procedure in case of protested or objected final proof on public lands; to the Committee on the Public Lands.

Also, a bill (H. R. 4868) extending the number of annual payments to entrymen upon reclamation projects; to the Committee on Irrigation of Arid Lands.

Also, a bill (H. R. 4869) providing for the destruction of predatory wild animals upon the national forests and the lands adjacent thereto; to the Committee on Agriculture.

Also, a bill (H. R. 4870) making an appropriation to prevent blight and to exterminate pests destructive of the potato and alfalfa; to the Committee on Agriculture.

Also, a bill (H. R. 4871) authorizing the Secretary of War to donate condemned cannon and balls; to the Committee on Military Affairs.

Also, a bill (H. R. 4872) authorizing the Secretary of War to donate to the city of Grand Junction, Colo., two cannon or field pieces; to the Committee on Military Affairs.

Also, a bill (H. R. 4873) providing for the erection of a monument on the site of the Meeker massacre, in Rio Blanco County, Colo.; to the Committee on the Library.

Also, a bill (H. R. 4874) to prevent the employment of children in factories and mines; to the Committee on Labor.

Also, a bill (H. R. 4875) to prevent the employment of females in mills, factories, or manufacturing establishments for a longer period than eight hours; to the Committee on Labor.

Also, a bill (H. R. 4876) authorizing national banks to loan money on real-estate security; to the Committee on Banking and Currency.

Also, a bill (H. R. 4877) to restore section 1 of the act of Congress of July 2, 1890, chapter 647, Twenty-sixth Statutes at Large, to its original form as enacted, by striking out the words "unreasonable or undue," inserted therein by a decision of the Supreme Court of the United States; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 4878) divesting goods, wares, and merchandise manufactured by convicts or by convict labor of their interstate character in certain cases; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTT: Resolution (H. Res. 95) creating a committee of the House of Representatives on rights and welfare of women and children; to the Committee on Rules.

By Mr. FITZGERALD: Joint resolution (H. J. Res. 80) making appropriations to supply urgent deficiencies in certain appropriations for the postal service for the fiscal year 1913; to the Committee on Appropriations.

By Mr. TAYLOR of Colorado: Joint resolution (H. J. Res. 81) directing the Committee on Printing to provide a suitable index for the daily issue of the CONGRESSIONAL RECORD; to the Committee on Printing.

By Mr. KALANIANAOLE: Memorial of the Legislature of Hawaii, relative to an appropriation for the purchase of sea fisheries for the citizens of the United States; to the Committee on the Merchant Marine and Fisheries.

Also, memorial of the Legislature of Hawaii, favoring an appropriation for completion of improvement of the harbor of Nawiliwili, island of Kauai; to the Committee on Rivers and Harbors.

Also, memorial of the Legislature of Hawaii, relative to amending the law governing the leasing of agricultural lands in Hawaii; to the Committee on the Territories.

PRIVATE BILLS, RESOLUTIONS, AND MEMORIALS.

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

By Mr. AINEY: A bill (H. R. 4838) granting a pension to Franc S. Hungerford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4839) granting a pension to Fannie Comfort; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4840) granting an increase of pension to Michael Weber; to the Committee on Invalid Pensions.

By Mr. BARNHART: A bill (H. R. 4841) granting a pension to Isabel Clark; to the Committee on Invalid Pensions.

By Mr. CANTRILL: A bill (H. R. 4842) granting a pension to Clay Brandenburg; to the Committee on Pensions.

Also, a bill (H. R. 4843) for the relief of A. H. Sympson; to the Committee on Military Affairs.

By Mr. COVINGTON: A bill (H. R. 4844) for the relief of Jacob T. Bradshaw; to the Committee on Claims.

By Mr. EDWARDS: A bill (H. R. 4845) granting an increase of pension to Jane Augusta Beasley; to the Committee on Pensions.

By Mr. EVANS: A bill (H. R. 4846) for the relief of Benjamin E. Jones; to the Committee on Claims.

By Mr. GRIEST: A bill (H. R. 4847) granting an increase of pension to Edward Frankford; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 4848) granting a pension to Thomas Baxter; to the Committee on Pensions.

By Mr. KEY of Ohio: A bill (H. R. 4849) granting a pension to Daniel Burkey; to the Committee on Pensions.

Also, a bill (H. R. 4850) granting a pension to Henrietta Bartlett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4851) granting a pension to Emaline Powell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4852) granting an increase of pension to James Cass; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4853) granting an increase of pension to Conrad Stephan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4854) granting an increase of pension to Albert A. Root; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4855) granting an increase of pension to Henry Bilsing; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4856) granting an increase of pension to Henry Smith; to the Committee on Invalid Pensions.

By Mr. LEWIS of Maryland: A bill (H. R. 4857) for the relief of the trustees of the Quinn African Methodist Episcopal Church, of Frederick, Md.; to the Committee on War Claims.

By Mr. MOSS of West Virginia: A bill (H. R. 4858) granting a pension to Charles W. Cunningham; to the Committee on Invalid Pensions.

By Mr. STEPHENS of California: A bill (H. R. 4859) granting an increase of pension to Philip Gavin; to the Committee on Pensions.

By Mr. WHITE: A bill (H. R. 4860) granting a pension to Grant Van Horn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4861) granting an increase of pension to William Allender; to the Committee on Invalid Pensions.

By Mr. DIES: A bill (H. R. 4862) for the relief of Mollie Richardson, heir of Stanford Mims, deceased; to the Committee on War Claims.

By Mr. HAYES: A bill (H. R. 4863) granting an increase of pension to Francis O. Nash; to the Committee on Pensions.

By Mr. LANGLEY: A bill (H. R. 4864) granting an increase of pension to Lemuel Jones; to the Committee on Invalid Pensions.

By Mr. TUTTLE: A bill (H. R. 4865) for the relief of Paymaster Frederick G. Pyne, United States Navy; to the Committee on Claims.

By Mr. CLAYPOOL: A bill (H. R. 4879) granting a pension to Floyd Thurman; to the Committee on Pensions.

Also, a bill (H. R. 4880) granting a pension to Sarah Catharine Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4881) granting an increase of pension to Martin Enderlin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4882) granting an increase of pension to William T. Mills; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4883) granting a pension to John C. McIntire; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4884) granting an increase of pension to Aries Butcher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4885) granting an increase of pension to Henry Wolf; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4886) granting an increase of pension to Barnett A. Hook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4887) granting an increase of pension to William H. Wise; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4888) granting an increase of pension to James Campbell; to the Committee on Invalid Pensions.

By Mr. FARR: A bill (H. R. 4889) granting a pension to Milton W. Snyder; to the Committee on Invalid Pensions.

By Mr. REED: A bill (H. R. 4890) granting an increase of pension to John H. Doeg; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4891) granting an increase of pension to Wright T. Ellison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4892) granting an increase of pension to Sarah A. Gould; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Colorado: A bill (H. R. 4893) granting an increase of pension to Matilda Fellows; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4894) granting an increase of pension to Lizzie Snyder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4895) granting an increase of pension to Homer C. Brown; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

By the SPEAKER (by request): Petition of the International Brotherhood Welfare Association, favoring donating to the unemployed all machinery used in construction of the Panama Canal as will no longer be needed; to the Committee on Labor.

Also (by request), petition of C. Z. Lynch, of Robertsville, Mo., against mutual life insurance in the income-tax bill; to the Committee on Ways and Means.

By Mr. ANSBERRY: Petition of Foster M. Culler, of Hicksville, and Elmer R. Rader, of Convoy, Ohio, against mutual life insurance in the income-tax bill; to the Committee on Ways and Means.

By Mr. ASHBROOK: Petitions of E. J. Conley, Newark; I. B. Bates and 9 other citizens of Wellersville; S. P. Wise, of Wooster; and C. S. Starner, of Big Prairie, all in the State of Ohio, protesting against the insurance clause in the pending income-tax clause in H. R. 3321; to the Committee on Ways and Means.

By Mr. BALTZ: Petitions of Gustave E. Weihe, Nashville; J. H. Hohl, East St. Louis; and William Hoch, Waterloo, all in the State of Illinois, protesting against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. CARY: Petition of the George H. Smith Steel Casting Co., of Milwaukee, Wis., against increase of the duty on ferromanganese; to the Committee on Ways and Means.

Also, petition of the Yarn & Lance Drug Co., of Milwaukee, Wis., favoring immediate legislation on banking and currency reform; to the Committee on Banking and Currency.

Also, petitions of William Kander and Charles G. Wernir, against mutual life insurance in the income-tax bill; to the Committee on Ways and Means.

Also, petition of the Saratoga Victory Manufacturing Co., of Victory Mills, N. Y., against reduction of the duty on cotton goods; to the Committee on Ways and Means.

By Mr. DALE: Petition of the Citizens' Relief Committee of Hamilton, Ohio, relative to protection against the recurrence of floods in the Great Miami Valley; to the Committee on Rivers and Harbors.

By Mr. ESCH: Petition of L. J. Kelison and 18 other citizens of La Crosse, Wis., protesting against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. FARR: Petition of J. M. Alexander, William Kelley, and other citizens of Pennsylvania, protesting against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. GOULDEN: Petitions of sundry citizens of Philadelphia, Pa., and The Bronx, N. Y., against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. GRAHAM of Illinois: Petition of sundry citizens of the twenty-first Illinois district against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. HAMMOND: Petition of the city council of Minneapolis, Minn., favoring the passage of legislation for the Government to acquire control and ownership of all telephone and telegraph systems; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWELL: Petitions of F. E. Clark, R. J. James, E. S. Alexander, and others, of Utah, against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. HAYES: Petition of J. B. Upright, of Victory Mills, N. Y., protesting against the proposed reduction of the tariff on cotton goods; to the Committee on Ways and Means.

Also, petition of J. F. Parsons and 135 other voters of Santa Ana, E. A. Preston and 20 other voters of Garden Grove, G. A. White and 20 other voters of Downey, A. P. Machado, jr., and 45 other voters of Alvarado, W. C. Sproul and 22 other voters of Norwalk, and G. L. Faulkner and 45 other voters, all in the State of California, protesting against the proposed reduction of the tariff on sugar; to the Committee on Ways and Means.

Also, petition of Shermene Thacher, Woodhoff; H. B. Heacock, Pacific Grove; W. B. Mosher, San Jose; and L. W. Schmick, San Francisco, all in the State of California, protesting against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. KAHN: Petition of W. C. Morris and 155 other residents of San Francisco, Niles, Norwalk, Los Angeles, Concord, Van Nuys, Hynes, Salinas, Monterey, Downey, Laws, Artesia, Pleasanton, Oxnard, Huntington Beach, Garden Grove, Anaheim, Santa Ana, Ontario, Gilroy, Meridian, Moss, El Monte, Woodland, Westminster, Pacific Grove, Colusa, Long Beach, and Marysville, all in the State of California, protesting against the proposed reduction in the duty on sugar; to the Committee on Ways and Means.

By Mr. KENNEDY of Rhode Island: Petition of the city council of Providence, R. I., protesting against the use of billboards by the United States War and Navy Departments to advertise their recruiting service; to the Committee on Military Affairs.

By Mr. KEY of Ohio: Petition of Frank P. Donnonworth, Bucyrus; Prof. C. A. Krout, Tiffin; W. O. Thompson, president of the Midland Mutual Life Insurance Co.; Frederick Haberman, Marion, all in the State of Ohio, protesting against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. KIESS of Pennsylvania: Petition of sundry citizens of the fifteenth congressional district of Pennsylvania, protesting against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. LAFFERTY: Petition of sundry business concerns and citizens of Portland, Oreg., protesting against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. LEVY: Petition of sundry milling companies in the United States, against placing flour on the free list; to the Committee on Ways and Means.

Also, petitions of sundry manufacturers of buttons of the States of New York and New Jersey against reduction of the duty on vegetable ivory; to the Committee on Ways and Means.

Also, petitions of C. S. Mathews, of Louisiana, and D. Saunders's Sons (Inc.), of Yonkers, N. Y., against reduction of the duty on sugar; to the Committee on Ways and Means.

Also, petition of the Eppinger & Russell Co., of New York, N. Y., against the duty on creosote oil; to the Committee on Ways and Means.

Also, petition of the C. H. Parsons Co., of New York, N. Y., against the duty on jute yarns; to the Committee on Ways and Means.

Also, petition of the American Spice Trade Association, of New York, N. Y., against the duty on ground spice; to the Committee on Ways and Means.

Also, petition of the Lancaster Leaf Tobacco Board of Trade, of Lancaster, Pa., against free cigars from the Philippine Islands; to the Committee on Ways and Means.

Also, petition of the Chamber of Commerce of Plattsburgh, N. Y., against the proposed reorganization of the Customs Service; to the Committee on Ways and Means.

Also, petition of the Joseph Dixon Crucible Co., of Buffalo, N. Y., against reduction of the duty on lead pencils; to the Committee on Ways and Means.

Also, petition of William Yickert, of New York City, against the clause prohibiting the importation of wild-bird plumage; to the Committee on Ways and Means.

Also, petition of Anthony E. Roth, of New York City, against reduction of the duty on lithographs; to the Committee on Ways and Means.

Also, petitions of 4 citizens of New York City, favoring the feather proviso prohibiting the importation of skins and plumage of wild birds; to the Committee on Ways and Means.

Also, petitions of sundry citizens of New York City, against mutual life insurance in the income-tax bill; to the Committee on Ways and Means.

Also, petition of the Bronston Bros. & Co., of New York City, against increase of the duty on blocked straw hats; to the Committee on Ways and Means.

Also, petition of Peter F. Bell, of New York City, against reduction of the duty on stained glass; to the Committee on Ways and Means.

Also, petition of the Confectioners and Ice Cream Manufacturers' Protective Association, of New York City, favoring reduction of the duty on rock salt; to the Committee on Ways and Means.

Also, petition of the Chamber of Commerce of New York, asking the Committee on Banking and Currency to establish the method by which the income tax shall be collected; to the Committee on Banking and Currency.

Also, petition of Meyer & Lange, of New York City, protesting against assessment of a fee on protests against the assessment of duty by the collector of customs; to the Committee on Ways and Means.

Also, petition of E. A. G. Intemann, jr., asking that the duty be reduced on rock salt; to the Committee on Ways and Means.

Also, petition of E. A. G. Intemann, jr., protesting against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

By Mr. SCULLY: Petitions of sundry citizens of New Jersey, against mutual life insurance in the income-tax bill; to the Committee on Ways and Means.

By Mr. STEENERSON: Petitions of sundry citizens of Minnesota, against mutual life insurance in the income-tax bill; to the Committee on Ways and Means.

By Mr. STEPHENS of California: Petition of A. I. Hall & Sons, San Francisco, Cal., protesting against the proposed reduction of the tariff on sugar; to the Committee on Ways and Means.

Also, petition of the Globe Grain & Milling Co. and the Great Western Milling Co., of Los Angeles, Cal., protesting against

placing a duty on wheat while admitting flour free of duty; to the Committee on Ways and Means.

Also, petition of sundry business concerns and citizens of Los Angeles and other towns of California, protesting against including mutual life insurance companies in the income-tax bill; to the Committee on Ways and Means.

Also, petition of the San Francisco Labor Council, San Francisco, Cal., relative to the appointment of a chief inspector and two assistant chiefs for the inspection of locomotive boilers; to the Committee on Labor.

By Mr. WALLIN: Petition of Local No. 231, Cigar Makers' Union, of Amsterdam, N. Y., against the admission of Philippine-made cigars free of duty; to the Committee on Ways and Means.

Also, petitions of sundry residents of the thirtieth district of New York, against the inclusion of mutual life insurance in the income-tax bill; to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES.

THURSDAY, *May 8, 1913.*

The House met at 2 o'clock p. m.

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

Father in heaven, "We can not always trace the way where Thou Almighty One dost move," but we most fervently pray that, with perfect faith and confidence, we may follow where Thou dost lead, assured that though the way be often obscure, rough, and difficult at the end we shall be rewarded by a full rounded out character and hear the blessed words "Well done, good and faithful servant, enter thou into the joy of thy Lord." Amen.

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

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed the following resolutions:

Resolved, That the Senate has heard with deep sensibility the announcement of the death of the Hon. LEWIS J. MARTIN, late a Representative from the State of New Jersey.

Resolved, That a committee of seven Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to take order for superintending the funeral of the Hon LEWIS J. MARTIN, at Newton, N. J.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives and to the family of the deceased.

And that in compliance with the foregoing resolutions the Vice President had appointed Mr. HUGHES, Mr. MARTINE of New Jersey, Mr. CUMMINS, Mr. TOWNSEND, Mr. HITCHCOCK, Mr. REED, and Mr. CLARKE of Arkansas as the committee on the part of the Senate.

The message also announced that the Senate had passed with amendments bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 2441. An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1914, and for other purposes.

SUNDRY CIVIL APPROPRIATION BILL.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2441) making appropriations for the sundry civil expenses of the Government for the fiscal year ending June 30, 1914, and for other purposes, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] asks unanimous consent to take the sundry civil appropriation bill from the Speaker's table, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection, and the Speaker announced as conferees on the part of the House Mr. FITZGERALD, Mr. SHERLEY, and Mr. GILLETT.

THE TARIFF.

The SPEAKER. Just before the adjournment last night the gentleman from Illinois [Mr. MANN] demanded the reading of the engrossed bill H. R. 3321.

Mr. MANN. Mr. Speaker, I withdraw my demand for the reading of the engrossed bill.

Mr. PAYNE. I suppose the bill will be read by title, Mr. Speaker. I move to recommit the bill with the instructions which I send to the Clerk's desk.

Mr. MURDOCK. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Kansas [Mr. MURDOCK] rise?

Mr. MURDOCK. I have also a motion to recommit.

The SPEAKER. There can not be two of them at once.

Mr. MURDOCK. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MURDOCK. What is the practice of the House as to recognition for a motion to recommit?

The SPEAKER. The Chair laid down this rule, from which he never intends to depart unless overruled by the House, that on a motion to recommit he will give preference to the gentleman at the head of the minority list, provided he qualifies, and then go down the list of the minority of the committee until it is gotten through with. And then if no one of them offer a motion to recommit the Chair will recognize the gentleman from Illinois [Mr. MANN] to make it, but if he does not do so, will recognize the gentleman from Kansas [Mr. MURDOCK] as the leader of the third party in the House. [Applause.]

Mr. MURDOCK. Mr. Speaker, the Speaker leaves out one of the essential elements as to that recognition, and that is that a man who offers a motion to recommit and who is recognized must be against the bill.

The SPEAKER. Of course. The Chair said that he would have to qualify. That is what the Chair meant by that.

Mr. MURDOCK. Then, by the Speaker's ruling the first recognition goes to the gentleman from New York?

The SPEAKER. Undoubtedly.

Mr. MURDOCK. And thereafter to whom?

The SPEAKER. The next man on the minority of the Ways and Means Committee, whoever he is, and then clear down the line, seriatim.

Mr. MURDOCK. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MURDOCK. The Speaker mentioned the gentleman from Illinois [Mr. MANN].

The SPEAKER. The Chair will state it over again. The present occupant of the chair laid down a rule here about a year ago or more that in making this preferential motion for recommitment the Speaker would recognize the top man on the minority of the committee if he qualified—that is, if he says he is opposed to the bill—and so on down to the end of the minority list of the committee. Then, if no gentleman on the committee wants to make the motion, the Speaker will recognize the gentleman from Illinois [Mr. MANN], because he is the leader of the majority of the minority. Then, in the next place, the Speaker would recognize the gentleman from Kansas [Mr. MURDOCK].

Mr. MURDOCK. Now, Mr. Speaker, another parliamentary inquiry.

The SPEAKER. But in this case the gentleman from Kansas [Mr. MURDOCK] is on the Ways and Means Committee, which would bring him in ahead, under that rule, of the gentleman from Illinois [Mr. MANN].

Mr. MURDOCK. Another parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MURDOCK. If the gentleman from New York [Mr. PAYNE] is recognized to move to recommit, do I have the opportunity to amend the motion to recommit?

The SPEAKER. You do if the gentleman from Alabama [Mr. UNDERWOOD] is not too quick. [Laughter.]

Mr. UNDERWOOD. Mr. Speaker, I will ask the Clerk to report the motion to recommit, embodying the amendment.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

By Mr. PAYNE:

I move to recommit the bill (H. R. 3321) to reduce the tariff duties and to provide revenue for the Government, and for other purposes, to the Committee on Ways and Means, with directions to that committee to report back to the House, as speedily as possible, the said bill (H. R. 3321) so amended that it will provide:

First. For a tariff commission in the following language:

"A. That a commission is hereby created, to be known as the tariff commission, which shall be composed of five members, who shall be appointed by the President, by and with the advice and consent of the Senate. The members first appointed under this act shall continue in office from the date of qualification for the terms of two, three, four, five, and six years, respectively, from and after the 1st day of July, A. D 1913, the term of each to be designated by the President; but their successors shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate a member of the commission to be the chairman thereof during the term for which he is appointed. Any member may, after due hearing, be removed by the President for inefficiency, neglect of duty, or malfeasance in office. Not more than three members of said commission shall be members of the same political party. Three members of said commission shall constitute a quorum. The chairman of said commission shall receive a salary of $7,500 per annum and the other members each a salary of $7,000 per annum. The commission shall have authority to appoint a secretary and fix his compensation, and to appoint and fix the compensation of such other employees as it may find necessary to the performance of its duties.

"B. That the principal office of said commission shall be in the city of Washington. The commission, however, shall have full authority, as a body, by one or more of its members, or through its employees, to conduct investigations at any other place or places, either in the United States or foreign countries, as the commission may determine. All the