VIRGINIA.

C. Moncure Campbell to be postmaster at Amherst, Va., in place of James F. Williams. Incumbent's commission expired June 12, 1913.

H. G. Shackelford to be postmaster at Orange, Va., in place of Thomas W. Carter, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 25, 1913.

POSTMASTERS.

NEW YORK.

Artemas D. Barton, Pine Plains.
John E. Hoffnagle, Westport.
William A. Hosley, Belmont.
Frank E. Ingalls, Brownville.
Henry D. Nichols, Mexico.
Mabel B. Williams, West Hampton Beach.

SENATE.

TUESDAY, *August 26, 1913.*

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

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum. I notice that there are very few Senators here.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gore	Nelson	Simmons
Bacon	Hitchcock	Norris	Smith, Ariz.
Bankhead	Hollis	O'Gorman	Smith, Ga.
Bradley	Hughes	Oliver	Smith, S. C.
Brady	James	Overman	Smoot
Bristow	Johnson	Page	Sterling
Bryan	Jones	Penrose	Sutherland
Catron	Kenyon	Perkins	Swanson
Chamberlain	Kern	Pomerene	Thomas
Chilton	La Follette	Ransdell	Thompson
Clapp	Lane	Robinson	Tillman
Clark, Wyo.	Lea	Root	Townsend
Crawford	Lodge	Saulsbury	Vardaman
Cummins	McCumber	Shafroth	Walsh
Fall	McLean	Sheppard	Williams
Fletcher	Martin, Va.	Sherman	
Gallinger	Martine, N. J.	Shively	

Mr. McCUMBER. I wish to announce that my colleague [Mr. GRONNA] is necessarily absent.

The VICE PRESIDENT. Sixty-six Senators have answered to the roll call. There is a quorum present. The Secretary will read the Journal of the proceedings of the preceding session.

THE JOURNAL.

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

ANNUAL REPORT OF THE PATENT OFFICE.

The VICE PRESIDENT laid before the Senate the annual report of the operations of the Patent Office for the fiscal year ended December 31, 1912, which was referred to the Committee on Patents and ordered to be printed. (H. Doc. No. 946, 62d Cong., 3d sess.)

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had agreed to a concurrent resolution providing that the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 27th day of August, 1913, at 12 o'clock and 45 minutes in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make them, in which it requested the concurrence of the Senate. (H. Con. Res. 16.)

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (S. 1353) to authorize the board of county commissioners of Okanogan County, Wash., to construct, maintain, and operate a bridge across the Okanogan River at or near the town of Malott, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. NELSON presented a resolution adopted by the Minnesota Bankers' Association, in convention at Duluth, Minn., favoring the adoption of a 1-cent letter postage, which was referred to the Committee on Post Offices and Post Roads.

Mr. HITCHCOCK presented a resolution adopted by the Platte Valley Transcontinental Good Roads Association, at Fremont, Nebr., favoring an appropriation for the construction of good roads throughout the country and particularly for the construction of a central transcontinental highway, which was referred to the Committee on Agriculture and Forestry.

Mr. JONES presented petitions of sundry citizens of Mount Vernon, Wash., praying for the adoption of an amendment to the Constitution to prohibit the manufacture and sale of intoxicating liquors, which were referred to the Committee on the Judiciary.

He also presented petitions signed by sundry citizens of Mount Vernon, Wash., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were ordered to lie on the table.

REPORTS OF COMMITTEE ON MILITARY AFFAIRS.

Mr. HITCHCOCK, from the Committee on Military Affairs, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 2560. A bill authorizing the Secretary of War to donate to the Grand Army of the Republic, Post No. 45, of Smith Center, Kans., two cannon or fieldpieces (Rept. No. 105); and

S. 2561. A bill authorizing the Secretary of War to donate to the city of Hays, Kans., one cannon or fieldpiece (Rept. No. 106).

Mr. HITCHCOCK, from the Committee on Military Affairs, to which was referred the bill (S. 2816) authorizing the Secretary of War to donate to the city of Abilene, Kans., two cannon, reported it with an amendment and submitted a report (No. 107) thereon.

HEARINGS BEFORE THE COMMITTEE ON PRIVILEGES AND ELECTIONS.

Mr. SHAFROTH, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 170, submitted by Mr. KERN on the 25th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Privileges and Elections, or any subcommittee thereof, be authorized during the Sixty-third Congress to administer oaths, send for books and papers, to employ a stenographer at a price not to exceed $1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said committee, to cause the proceedings before said committee to be printed, if by said committee deemed expedient; that the committee or subcommittee may sit during the sessions or recess of the Senate, and that the expense thereof shall be paid out of the contingent fund of the Senate.

WORKS OF ART IN CAPITOL BUILDING (S. DOC. NO. 169).

Mr. GALLINGER. I am directed by the Committee on Printing to report back favorably without amendment Senate resolution 74, providing for the printing of a document entitled "Works of Art in the United States Capitol Building, Including Biographies of the Artists," and I ask for its present consideration.

Mr. SIMMONS. Mr. President——

Mr. GALLINGER. It will take but a moment.

Mr. SIMMONS. There will be no debate, I understand.

The resolution was considered by unanimous consent and agreed to, as follows:

Resolved, That the document herewith submitted, entitled "Works of Art in the United States Capitol Building, Including Biographies of the Artists," compiled, under the direction of the Superintendent of the United States Capitol Building and Grounds, by Charles E. Fairman, be printed as a Senate document.

AFFAIRS IN INSULAR POSSESSIONS (S. DOC. NO. 173).

Mr. FLETCHER. I am directed by the Committee on Printing to report favorably a resolution to print as a Senate document a compilation of the acts of the Sixty-second Congress, and so forth, and I ask for its present consideration.

The resolution (S. Res. 172, S. Rept. 109) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That a compilation of the acts of the Sixty-second Congress, treaties, proclamations, decisions of the United States Supreme Court, from June 1, 1911, to June 1, 1913; opinions of the Attorney General from March 4, 1911, to March 3, 1913; and list of officials, relating to noncontiguous territory, Cuba, and Santo Domingo, and to military affairs, prepared by the Bureau of Insular Affairs, War Department, be printed as a Senate document.

THE MISSION OF WOMAN (S. DOC. NO. 174).

Mr. FLETCHER. I report from the Committee on Printing a resolution to print the article entitled "The Mission of Woman," by Dr. Albert Taylor Bledsoe, in pursuance to its reference to the committee, and I ask for its adoption.

Mr. GALLINGER. The Senator, I think, ought to state that the paper has been changed somewhat from its original form; that is, certain eliminations have been made.

Mr. FLETCHER. Yes; as contemplated by the Senator from South Carolina [Mr. TILLMAN] and approved by the committee.

The resolution (S. Res. 171, S. Rept. 110) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the article entitled "The Mission of Woman," by Albert Taylor Bledsoe, LL. D., which was printed in the Southern Review of October, 1871, be printed in the CONGRESSIONAL RECORD and also as a Senate document as reported by the Committee on Printing.

Mr. FLETCHER. I assume that the adoption of the resolution carries with it an order to print the article as now prepared in the RECORD and also as a public document.

Mr. GALLINGER. I will ask the Senator from Florida if he has had inserted in the document the date of its authorship?

Mr. FLETCHER. Yes; that has been done. That appears in the document as presented by the committee.

There being no objection, the article was ordered to be printed as a document and also to be printed in the RECORD, as follows:

THE MISSION OF WOMAN.

(By Albert Taylor Bledsoe, LL. D.)

[This discussion by this distinguished scholar, philosopher, and writer first appeared October, 1871, in the Southern Review, of which he was the brilliant editor. It is even more pertinent at the present time than when Dr. Bledsoe first gave it to the public.]

One of the subjects which now, for the first time in the history of the world, is beginning to attract the attention which its importance demands is the mission, the education, and the influence of woman. In his History of Morals, Mr. Lecky devotes the last and best chapter of the work, consisting of more than a hundred pages, to a learned, comprehensive, and eloquent survey of "the position of woman." And among the discourses of the celebrated Adolph Monod there are several on "the mission" and on "the life" of woman. We mention these productions only because of all the innumerable discussions of the same subject they are the only ones to which we shall have occasion to refer.

NOTHING TOO ABSURD TO SUCCEED.

We have been accustomed to regard the woman's rights movement as too insignificant and too absurd to deserve serious attention. But in some portions of the border States, as well as in the universal North, this movement is assuming proportions and manifesting a spirit which inspire some of our most thoughtful minds with no little alarm. They are beginning to fear that, after all, this most absurd movement may gain the ascendancy in this country.

One thing is certain, namely, that nothing is too absurd to fail of success in this "the most enlightened Nation on the face of the globe." We appeal to facts. We now see recently emancipated slaves—utterly ignorant and wholly unfit for such duties—in our legislative halls, in the highesst judicial offices of some of the Southern States, and on boards of trustees as the conservators and guardians of the interests of the higher education. Could anything be more absurd? Or would anything, only a few years ago, have been pronounced more utterly impossible, if anyone had been bold enough to predict such a result? In view of such facts, indeed, we are almost inclined to believe that the more absurd anything is the greater are its chances of success under the radical rule of the present day. * * * Women may never have the right to vote in this country; but whether they have or not, their prospects for the enjoyment of that "right" are now apparently better than were those of the blacks previous to the late war. Who knows, then, what may happen, or, in the course of time, go down with the sovereign people composed of all colors, all ages, and both sexes?

A SIMILAR MOVEMENT IN THE ROMAN EMPIRE.

If, however, the movement in question should succeed, it would be nothing new under the sun. History would only repeat itself; and, in the light of past facts, we may easily predict the result. The women of Rome at one period succeeded in securing all "their rights," as they are called, and the effects of their emancipation from the laws of God and nature are recorded in the annals of the Empire.

"A complete revolution," says Mr. Lecky, "had thus passed over the constitution of the family. Instead of being constituted on the principle of autocracy it was constituted on the principle of coequal partnership—the very thing now aimed at in this country. The legal position of the life had become one of complete independence, while her social position was one of great dignity." How glorious! But, adds the historian, "The more conservative spirits were naturally alarmed at the change." And the effects of the revolution, as they now stand recorded on the page of history, justify their alarm.

THE FRIGHTFUL RESULTS THAT FOLLOWED.

"Another and still more important consequence," said Mr. Lecky, "resulted from the changed form of marriage." Being looked upon simply as a civil contract, entered into for the happiness of the contracting parties, its continuance depended on mutual consent. Either party might dissolve it at will, and the dissolution gave both the right to remarry. There can be no question that under this system the obligations of marriage were treated with extreme levity. We find Cicero repudiating his wife, Terentia, because he desired a new dowry; Cato ceding his wife, with the consent of her father, to his friend Hortensius, and resuming her after his death; Maecenas continually changing his wife; Sempronius Sophus repudiating his wife because she had once been to the public games without his knowledge; Paulus Aemilius taking the same step without assigning any reason and defending himself by saying, "My shoes are new and well made, but no one knows where they pinch me." Nor did women show less alacrity in repudiating their husbands. Seneca denounced this evil with especial vehemence, declaring that divorce in Rome no longer brought with it any shame, and that there were women who reckoned their years rather by their husbands than by the consuls. Christians and Pagans echoed the same complaint. According to Tertullian, "divorce is the fruit of marriage." Martial speaks of a woman who had already arrived at her tenth husband; Juvenal of a woman who had eight husbands in five years. But the most extraordinary recorded instance of this kind is related by St. Jerome, who assures us that there existed at Rome a wife who was married to her twenty-third husband, she herself being his twenty-first wife.

INCREASING CELIBACY AND A DECREASING BIRTH RATE.

The evil did not stop here. The family being constituted not on the principle of autocracy, but on that of a coequal partnership, it became instead of a well-organized social unit a two-headed, self-fighting monster. Hence, in the language of Prof. Seeley, "precisely as we think of marriage, the Roman of imperial times thought of celibacy; that is, as the most comfortable but the most expensive condition of life. Marriage with us is a relation for which a man must pay; with the Romans it was an excellent pecuniary investment, but an intolerably disagreeable one." The marriage relation, in one word, having degenerated into a civil contract for convenience merely, it became so "intolerably disagreeable" that men shunned it as they would have shunned the plague. And to this cause it is that Prof. Seeley ascribes the decline, the fall, and the ruin of imperial Rome. "Whatever the remote and ultimate cause may have been," says he, "the immediate cause to which the fall of the Empire can be traced is a physical, not a moral decay.

"In valor, discipline, and science the Roman armies remained what they had always been, and the peasant Emperors of Illyricum were worthy successors of Cincinnatus and Caius Marius. But the problem was how to replenish the armies. Men were wanted; the Empire perished for want of men." "A stationary population," he continues, "suffers from war or any other destructive plague far more and more permanently than a progressive one." Accordingly we are told "that Julius Cæsar, when he attained the supreme power, found an alarming thinness of population. Both he and his successors struggled earnestly against this evil. The grand maxim of Metellus Macedonicus, that marriage is a duty which, however painful, every citizen ought manfully to discharge, acquired great importance in the eyes of Augustus. He caused the speech in which it was contained to be read in the senate. Had he lived in our days, he would have reprinted it with a preface. To admonition he added legislation. The Lex Julia is irrefragable proof of the existence at the beginning at the imperial time of that very disease which four centuries after destroyed the Empire. How alarming the symptoms already were may be measured by the determined resolution with which Augustus forced his enactment upon the people in spite of the most strenuous resistance. The enactment consisted of a number of privileges and precedences given to marriage. It was, in fact, a handsome bribe offered by the State to induce the citizens to marry. How strange, according to our notions, the condition of society must have been; how directly opposite from the present one the view taken by statesmen of the question of population, and how unlike the present one the view taken by the people in general of marriage were may be judged by this law." That is, the women of Rome, having acquired the independence and the dignity for which so many in this country are now struggling, the marriage relation became so "intolerably disagreeable" that neither the laws of the Empire nor the interests of mankind could save the Empire from ruin.

Mr. Lecky arrives at the same conclusion. "Augustus attempted in vain," says he, "to arrest by laws against celibacy and by conferring many privileges on the father of three children a great and general indisposition toward marriage." "If Romans," said Metellus, in a singularly curious speech, "could live without wives, we should keep free from that source of trouble; but since nature has ordained that men can neither live sufficiently agreeable with wives nor at all without them, let us consult the perpetual endurance of our own race rather than our own brief enjoyment."

WHY THE ROMAN EMPIRE FELL.

"In the midst of this torrent of corruption a great change was passing over the legal position of Roman women. They had not at first been in a condition of absolute subjection or subordination to their relations. They arrived during the Empire at a point of freedom and dignity which they subsequently lost and have never altogether regained." So true is it that the right constitution of the family, or the marriage relation, lies at the very root of national greatness, power, and glory. The women of Rome, indeed, acquired the rights of men; but the consequence was that woman, with all her short-lived independence, dignity, and glory, soon sank beneath the ruins of the Empire. She tasted the forbidden fruit, and it proved fatal to the glory for which God had intended her.

"Men were wanting, and the Empire perished for the want of men. The proof of this," says Prof. Seeley, "is in the fact that the contest with barbarism was carried on by the help of barbarous soldiers." The Emperor Probus began this system, and under his successors it came more and more into use. As the danger of it could not be mistaken, we must suppose that the necessity of it was still more unmistakable. It must have been because the Empire could not furnish soldiers for its own defense that it was doomed to the strange expedient of turning its enemies and plunderers into its defenders. Yet on these scarcely disguised enemies it came to depend so exclusively that in the end the Western Empire was destroyed, not by the hostile army but by its own. How different had been the result if, instead of aspiring to the independence and dignity and the rights of men, the women of Rome had been, as in the days of the glory of the Republic, content to furnish, educate, and train men for the defense of the Empire. Shall we repeat the same stupendous folly? Shall we, in spite of the Word of God and the lessons of experience, run the same race of madness and ruin? Shall we, too, in spite of all our boasted wisdom and high Christian civilization, fall miserable victims to the reforms instigated by the strong-minded women and supported by the weak-minded men of this age and Nation? We hope not. We do trust that God, in his good providence, has no such awful, no such unutterable calamity in store for us.

THE ROOT OF THE MISCHIEF.

The root of all this mischief is the idea that woman is the equal of man, is cast in the same mold with man, and is appointed to do the same work as man. No greater mistake could be made. "It would take many Newtons," said Coleridge, "to make a Milton." True; but, then, it would take as many Miltons to make a Newton. The truth is that the one could not be made out of the other at all without a very great waste of material. We propose, then, to leave them just as God has made them; the one for science and for song the other. If Milton had been required to write the Principia or Newton the Paradise Lost, he would have been ruined, utterly lost to the world. In like manner, if woman were required to do the work of man or man the work of woman, human affairs would be turned out of their natural channels and thrown into hopeless confusion. Let man and woman, then, like twin stars or like the sun and moon, move in their own appointed spheres or orbits, unless the object be not to preserve the harmony of the world but to "uprear the universal peace."

Does anyone ask whether woman is equal to man? If so, we reply that she is neither equal nor superior nor inferior to man. She was made for a different sphere, and in her own sphere she is without a peer or rival. "One star is different from another star in glory." If anyone ask, then, whether Venus is equal or superior or inferior to

Jupiter, we answer she is neither. Jupiter is superior to Venus in size and in effulgence; but, then, Venus, the evening and the morning star, exerts a far more powerful influence over our heart and feelings and imagination than Jupiter. Everything which God has made is beautiful in its own place and season, and hence it is no part of our aim or philosophy to revise or to reconstruct the work of His hands. We would not for the world have Venus put in the place of Jupiter or Jupiter in the place of Venus. Much less would we have woman thrust into man's sphere or man into woman's sphere. And woe, woe to the people or nation or society by whom they shall be made to exchange places or to occupy the same sphere. We are, for our part, satisfied with the world as God made it without feeling the least desire to revise or correct the moral code of the universe.

MADE FOR A DIFFERENT WORK.

First a strong-minded woman and then a weak-minded man wrote a great book consisting of some 600 pages or more to prove that Lord Bacon wrote Shakespeare's plays. Now the man or the woman who can not see the difference between Shakespeare and Bacon ought to be excused for denying the difference between man and woman and for joining the woman's rights movement. They have, in our humble opinion, an inherent and inalienable right to make such fools of themselves; that is to say, if nature has not done the business for them. Bacon could no more have written the least of Shakespeare's plays than Shakespeare could have written the "Novum Organum" or the "Advancement of Learning." The attempt of the author in question to show that Bacon was a great poet is simply ridiculous. He had the reason, but he lacked the rhythm of the poet. He had the imagination, but he wanted the plastic power and soul of a Shakespeare. In one word, to use the language of Shakespeare, "he had no music in his soul," and was therefore better fitted for "strategems and spoils" than for the building of "the lofty rhyme." His villainous translation of some portions of the Psalms stands in the way of our author's theory, but he apologizes for this on the ground that the "thoughts were not his own." True, the thoughts were not his own; they were too grand and beautiful for any uninspired mind; but, then, "the rhythm" was all his own. Let us look at this, then, and see the likeness between Shakespeare and Bacon. A single specimen will suffice, and here it is:

Ye monsters of the mighty deep,
Your Maker's praises spout;
Up from the sound ye codlings peep;
And wag your tails about.

How like the sublime strains of Othello or Macbeth or Lear or Hamlet! Who, after reading such glorious lines, can doubt that Bacon composed Shakespeare's dramas?

UNITY IN DIVERSITY.

The universe everywhere presents itself to our contemplation under the great law of unity in diversity, or diversity in unity. To select only one out of innumerable examples which might be adduced, if we look at the extremities of the limbs of different animals, we see this wonderful unity in diversity, or diversity in unity. For, as Prof. Owen, the greatest of living comparative anatomists, assures us, the hand of man, the hoof of the horse, the paddle of the mole, the fin of the fish, and the wing of the bat are all constructed on the same archetypal idea or internal plan. Here in all these diversified forms we have a unity of design or plan. The human hand, with its manifold flexible fingers and delicate tactual sense—how admirably is it adapted to the uses and purposes of man! We find the same bones or parts in the forefoot of the horse, but there they are sheathed in a solid hoof with which he strikes the hard earth with impunity. In like manner the same parts and the same internal plan exists in the paddle of the mole, but yet in its external form it is so modified and adjusted to the little animal's mode of life that it "may almost be said to swim through the earth." Again, how admirably is the fin of the fish, with the same internal structure or relation of parts, adapted to its peculiar wants or mode of life. How admirably, in other words, it answers the purpose of an oar, cleaving the waters and directing the course of the fish as it darts through the element in which it lives. Finally, the wing of the bat, without departing from the same structure of parts, is so formed that the animal beats the air therewith and flies above the earth. One model, and yet how many different modifications, to answer different purposes or spheres or modes of life. Innumerable illustrations of the same great law and the same wonderful adaptation exist in all departments of nature. In the language of the great comparative anatomist already referred to we everywhere behold "the same organ in different animals under every variety of form and function." Moreover, we may add, we everywhere behold "the same organ" exactly and wonderfully adapted to the particular function it is required to perform.

THIS LAW APPLIES TO MAN.

But man, who in this lower world is the brightest of all God's creatures, is also the brightest manifestation of this great law of the universe. He is one, and yet two. "God said, 'Let us make man in our own image, after our own likeness.'" "So God created man in his own image; in the image of God created He him;" and yet "male and female created He them." Now, it was the mind of man and not the body which God created in his own image; and it was this image, this mind, which He created "male and female." Hence, when Coleridge says "there is a sex in our souls," he but echoes the voice of God. In the work of Mrs. Elizabeth Strutt, entitled "The Feminine Soul; Its Nature and Attributes," this "sex in our souls" is well, is admirably, illustrated. In the two celebrated discourses, also, on "The mission of woman," by Adolph Monod, the difference between the male and female soul is unanswerably established by an appeal to both reason and revelation.

The sphere or mission of woman given, as presented in the Word of God, it is easy to see that the nature and attributes of the feminine soul are exactly adapted to the design of the Creator. Or, on the other hand, the nature and attributes of the "feminine soul" being good, as they are set forth both in the work and the Word of God, it is easy to determine the sphere and mode of life for which she was created. Let not the sphere of woman, then, be confounded with that of man, and let not her soul be unsexed to do the work of man; unless, indeed, it be our object to subvert the order of nature, to "uproar the universal peace and pour the sweet milk of concord into hell." This thing was done in Rome; let it not be done in America.

THE QUEENS OF WIT AND BEAUTY.

"After the revival of letters," says Miss More, "the controversy about the equality of the sexes was agitated with greater warmth than wisdom. The process was instituted and carried on (precisely as it is at the present day) with that sort of acrimony which always raises a suspicion of the justice of any cause." No wonder this war of words was carried on with such acrimony and bitterness, for, as Miss More says, it was urged then, as it is in our day, by "women vain of their wit." The beauties took no part in the contest. "There is," says Miss More, "a singular difference between a woman vain of her wit and a woman proud of her beauty. The beauty, though anxiously alive to her own fame, is indifferent about the beauty of other women. Provided she is sure of your admiration, she does not insist on your thinking that there is another handsome woman in the world. The wit, more liberal at least in her vanity, is jealous for her whole sex and contends for the equality of their pretensions, in which she feels her own involved. The beauty vindicates her own rights; the wit, the rights of women. The beauty fights for herself; the wit for a party. The beauty would be a single queen for life; the wit would abrogate the Salique law of intellect and enthrone a whole sex of queens."

Now, for our own part, we infinitely prefer the silent queen of beauty to the wrangling queen of wit. The queen of beauty, seeing man at her feet, is content to reign over his heart, his house, and his home. But the queen of wit, seeing nobody subject to her dominion, denounces all men—the ungallant wretches—as tyrants and seems determined to put them under her feet, even as Jezebel did Ahab.

WHAT THE SCRIPTURES TEACH.

"A woman," said Miss Olive Logan, "has a right to vote and to hold a seat in Congress, because she is as good as a negro." We think, for our part, that a woman, especially if she is not a strong-minded one, is far better than a negro, and that, therefore, she had far better eschew the dust and dirt, the fray and fury of a contest with negroes for a seat in Congress or in the places of political power and profit. We think she is better than a negro, or a white man, either, and had, therefore, better keep within the high and holy sphere for which both nature and the God of nature intended her.

It may be deemed a want of gallantry in us, but still we must insist on "the Salique law of the intellect." For, in fact, the sun shines not more clearly in the heavens than this law does in the Word of God, as well as in His works. "The man," says St. Paul, "is the head of the woman." The family, as organized by Christ, is constituted on the principle of autocracy and not on the principle of an equality in power and dominion between man and wife. The family, as organized by Christ, is a social unit, a harmonious whole, with one head and not a two-headed, discordant, self-fighting monster. "Husbands, love your wives," is the word of divine wisdom, in which is so tenderly summed up all the obligations of the husband. "Husbands, love your wives, even as Christ loved the church"; "therefore, as the church is subject unto Christ, so let the wives be subject to their own husbands in everything." Again writes St. Paul to the Ephesians, "Wives, submit yourselves unto your husbands as unto the Lord"; "for the husband is the head of the wife, even as Christ is the head of the church." As in writing to the Corinthians he said, "the head of the woman is the man," so here he specially applies this doctrine to the marriage relation, saying, "the husband is the head of the wife." St. Peter expresses the same thing: "Likewise, ye wives, be in subjection to your own husbands that, if any obey not the word, they also may, without the word, be won by the conversation of the wives, while they behold your chaste conversation coupled with fear." * * * "Whose adorning let it not be that outward adorning of plaiting the hair, and of wearing of gold, or of putting on of apparel. But let it be the hidden man of the heart, in that which is not corruptible, even the ornament of a meek and quiet spirit, which is in the sight of God of great price. For after this manner in the old time, the holy women also, who trusted in God, adorned themselves, being in subjection to their own husbands."

THE DIVINE STANDARD OF SERVICE AND GREATNESS.

Ah! ye strong-minded women, how ye must hate these words—"being in subjection unto their husbands"! Have you no husbands because you hate these words? Or do you hate these words because you have no husbands? Have you no husbands because the old-fashioned forms require you to "love, honor, and obey," or because nobody has asked you? Be this as it may, it is certain that many nowadays are willing enough to promise to love and honor, but not to obey, in order to tie the matrimonial knot. They take their stand against the word "obey" as if it were a degradation of their sex. They know neither the word nor the spirit of the great Teacher, who says: "Ye know that the princes of the Gentiles exercise dominion over them, and they that be great exercise authority upon them. But it shall not be so among you; but whosoever will be great among you, let him be your minister; and whosoever will be chief among you, let him be your servant; even as the Son of Man came not to be ministered unto, but to minister, and to give His life a ransom for many." If any woman is, then, offended by the leading idea of the present paper, this is because she is animated by the spirit of the world and not by the spirit of Christ. It is because the love of power and the lust of dominion rather than the sublime meekness and humility of the Lamb of God rules in her wretched, restless heart. It is, in other words, because that which is most hateful in man—the domineering pride of a wicked heart—reigns over and obscures in her that which is most lovely in woman—"a meek and quiet spirit."

The first caused Lucifer "to fall like fire from heaven"; the last alone can raise "a mortal to the skies." We seek, then, not to degrade, but to elevate woman when we say it is her mission "not to be ministered unto but to minister." This was the mission of Christ Himself. Though it reduced Him physically to the form of a servant, it raised Him spiritually to the highest and holiest sphere in the universe. Hence when He brought His "first begotten into the world" He said, "Let all the angels of God worship Him." For even when exalted above "all principalities and powers and dominions" He was not so fair in the eyes of the everlasting Father or so much an object of worship to all His angels as when He took upon Himself the form of a servant and rendered forever illustrious and beautiful the path which He has prescribed for woman. Do we, then, seek to degrade woman merely because we wish to see her tread in His footsteps and become more and more assimilated to His character, who was "the fairest among ten thousand and altogether lovely"? On the contrary, it is just because we wish to see her become more and more an object of worship to all true men that we so earnestly contend that the Christian religion has rightly defined her mission and marked out the sphere of her real glory. As everyone knows, indeed, it is one of the distinctive peculiarities of this religion that from a beast of burden it raises woman to her rightful position in human society and crowns her as the queen of the world.

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INFERIOR ANIMALS BUT SUPERIOR BEINGS.

Woman is sometimes contemptuously called "the inferior animal." "What," several ladies once asked us, "do you think of that sentiment?" "We think it perfectly just," was the reply. "What!"

they exclaimed, "do you, with all your pretended gallantry and admiration of the sex, call woman the inferior animal?" "Yes," we fearlessly replied, "that is precisely our opinion of the sex—inferior animals but superior beings." In brute force, in all that constitutes the mere animal frame and nature, women are inferior to men; but in purity of mind, in refinement of sentiment, in all that most nearly assimilates our race to the good angels above, they are superior to men.

Mr. Darwin in his "Descent of Man" has proved at least one thing, namely, that man is actually an animal. No one after reading his very learned work can doubt that man is really an animal or deny that the proud biped eats and drinks and sleeps like his four-footed brethren that perish. But, after all, we are inclined to think that we are, in nature and in kind, a little better than baboons. Many of our strong-minded women do, we are aware, differ from us respecting Mr. Darwin's great discovery of the essential identity of nature between men and monkeys. Hence, rather than quarrel with them or with women of any description we are willing to admit that they are superior animals and also to allow them to choose the species of beast with which it is proper to classify them. * * *

FIRST SYMPTOMS AND CURE OF THE DISORDER.

There are, we are sorry to say, some of the sweetest and most intelligent and most lovely young ladies in our land who seem favorably inclined toward the woman's rights movement. We would do anything to save them, except marry a strong-minded woman; and if we were a widower we fear we might be induced to do even that, in order to rescue the beautiful creatures from their perilous condition, for, indeed, widowers do so many strange and unaccountable things that no man can say what he would not do if he were deprived of his "better half." But if we know ourself we would never marry a strong-minded woman. In this respect we feel as if we were like the old Romans who, after the women had acquired "all their rights," absolutely refused to marry them; consequently, as Prof. Seeley says, "the Empire perished for the want of men." It is, however, a hardly supposable case that any really beautiful and lovely woman will in her right mind actually join the ranks of the woman's rights movement, for whatever her nascent inclination or premonitory symptoms, matrimony will be apt to arrest her in her career and cure her of the incipient disease.

The first symptom of the disorder is perhaps the determination never, in case of matrimony, to use the word "obey." This symptom is a dangerous one and requires heroic treatment, such as that which Bishop Hobart is said to have administered to a young lady in New York. This young lady, so the story goes, vowed that if she were to get married a hundred times she would never once promise to obey her husband. Accordingly, when the bishop, who had been called in to marry her, came to the words "love and honor and obey" she held down her head meekly and remained silent, hoping he would attribute her silence to her modesty and so pass on. The good bishop, always stern and inflexible in the discharge of his official duties, repeated the words, but still no response. A third time he pronounced the words and with a still firmer voice, but the bride, still adhering to her vow, refused to repeat the promise. She only blushed the more beautifully and arrayed herself more radiantly in the charms of maiden modesty. But it was all lost on the bishop. He deliberately closed his prayer book and, turning away from her, said, "Madame, when you are ready to get married I will marry you." At these words the blooming bride started up and, wild with terror, exclaimed, "Love, honor, and obey; love, honor, and obey; love, honor, and obey." The treatment is what the doctors call "heroic," but the cure was perfect.

BOTH WEAKER AND STRONGER THAN MAN.

We can not deny, however, that, although woman is the "superior being," she is the "weaker vessel," for such is the express declaration of the Word of God. She is evidently the "weaker vessel." The frailer form, the more delicate organs, the more sensitive and timid nature, all proclaim her "the weaker vessel." Above all, the ease with which the balance of her judgment is disturbed by the impulses of kindness or of cruelty show that she is "the weaker vessel." While man, during the Civil War, displayed his strength by the greatness and the heroism of his deeds, woman betrayed her weakness by the violence of her sentiments. She would have raised the black flag and caused it to wave in all the darkness of desolation over the heads of her enemies even while she was the ministering angel of mercy to her friends. It is the weakness of human nature, and especially in the female sex, that it is always prone to rush into extremes of both hate and love.

But, on the other hand, it must be conceded that woman is weaker than man only in regard to the mission or the work of man. For her own sphere or mission she is endowed with far greater strength than man. In strength of passive will, in the courage and fortitude to endure, to bear the ills that flesh is heir to, she is far, very far, superior to man. In force of aggressive will, in the sublime capacity to do and to dare, she is comparatively weak; but in the meek, Christlike capacity to suffer and to bear she is superior to man. She is more like the Lamb of God—a willing sacrifice for the good of man; and this is her glory. In this respect as well as in many others she is most admirably adapted to the sphere of private life, and, above all, to the home circle. This, it is true, is a narrow sphere, but it is nevertheless a high and holy one—the very highest and holiest upon earth. Of all the institutions of society that which is the most important to its order and happiness is the constitution of the family and its government. Over this government woman is, in a special manner, called to preside. From the center of the home circle, nay, from innumerable centers of such circles, woman sends forth an influence, either for good or for evil, in comparison with which the influence of heroes and legislators and statesmen sink into insignificance. She does not occupy the throne, it is true; but yet behind the throne she wields a power greater than the throne itself, and without which the throne itself must crumble into dust and ashes. The glory of this Nation and the glory of all nations depends upon the ministry of woman, on the influence of wives, and daughters, and sisters, and mothers.

ONLY THE MOTHER ADEQUATE TO THE TASK.

"As a general rule," says a celebrated historian, "superior men are the children of their mother." Infancy is the decisive moment in education. In the earliest years is formed the strong bias which gives shape to the entire life. But these years belong to the mother. Paganism took them from her and gave them to the State, but Christ took them from the State and gave them back to the mother. They are too delicate and important for the State or for strangers to meddle with, and they are too exacting for the father. For the training of the young aptness, time, opportunity, patience, long suffering, and self-sacrifice are wanting to all persons, except to the mother. She alone is fit for the work which God in his providence has appointed her to do.

Consider, for example, the man whose strong heart and unconquerable courage now braves alike the wrath of a prince and the fury of the people, and who seems determined to justify the proud maxim, "Man can do what he will." You ascribe, perhaps, the glory of the man to the energy of his nature. But know that in his childhood he appeared so irresolute and so vacillating in his character that everyone said, "He will never make a man." He will, on the contrary, always be a "reed shaken of the wind." But a woman has made him a man, and that woman is the same who brought him into the world. She alone has never despaired of him. Sustained by love and guided by instinct, she alone has discovered beneath all his weakness the hidden germs of greatness, which by her tender, her humble, her patient, and persevering labors she has developed into his present glorious manhood. The child was not and never could have been the father of the man but for the constancy and the care of the woman. She is, indeed, the mother of the man as well as of the child. She has divined everything, conceived everything, planned everything, and watched over the operation and development of everything. By trials and conflicts, wisely graduated to his growing strength, she has developed the hidden germs of virtue in his soul, until by degrees the weakness of the child has passed away, and "nature herself can stand up and say to the world this is a man." Such is the work, the mission, the glory of woman.

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SOME REFLECTIONS.

The divorce evil, by its rapid and widespread growth in the United States, has become a danger so deadly that it threatens not only the moral health but the very life of the Nation. Within the last 50 years divorce has increased on an average more than three and one-third times as fast as the population. In the year 1912 it may safely be said that 100,000 divorces were granted and it is conservative to say that 100,000 children, mostly under 10 years of age, were made divorce orphans, being deprived of one or both parents. (Illinois Commission on Uniform Marriage and Divorce Laws.)

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The late census shows a steadily increasing decline in the rate of growth for the native white race of the United States. From 1880 to 1890 the rate of increase was 24.5 as against 23.1 from 1890 to 1900 and 20.8 during the decade 1900–1910. * * * Your suffragette may say that her right to vote has nothing to do with the birth rate, and that such right can not militate against the highest ideals of motherhood. But mothering requires the very flower of a woman's days. If she is to bear and mature children under wholesome conditions, she must have the blessed quiet of a home free from the nerve strain of publicity. (Mrs. F. L. Townsend, in the Methodist Review.)

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As for America, I appeal to the twentieth century. Either some Cæsar or Napoleon will seize the reins of Government with a strong hand, or your Republic will be as fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth century, with this difference, that the Huns and Vandals who ravaged Rome came from without her borders, while your Huns and Vandals will be engendered within your own country and by your own institutions. (Thomas Babington Macaulay.)

REPORT ON COTTON MARKETING (S. DOC. NO. 175).

Mr. FLETCHER. From the Committee on Printing I report favorably, with a request that it be printed as a Senate document supplemental to Senate Document No. 113, a report by J. S. Williams, chairman, and Clarence Ousley, subcommittee to study the production and marketing of Egyptian cotton, and I ask for its present consideration.

Mr. SIMMONS. I make no objection if it will lead to no debate.

Mr. FLETCHER. It will lead to no debate.

The VICE PRESIDENT. Is there any objection to printing the report? The Chair hears none, and that action will be taken.

NINTH INTERNATIONAL COTTON CONGRESS (S. DOC. NO. 176).

Mr. FLETCHER. From the Committee on Printing I submit a request in favor of printing as a Senate document the report of the Ninth International Cotton Congress of the International Federation of Master Cotton Spinners and Manufacturers' Associations held at Scheveningen, Holland, June 9, 10, and 11, 1913.

The VICE PRESIDENT. Is there objection to printing the report? The Chair hears none, and the report will be printed.

THE CONGRESSIONAL DIRECTORY (S. REPT. 108).

Mr. FLETCHER. From the Committee on Printing I report back the joint resolution (S. J. Res. 66) providing for a second edition of the Congressional Directory for the second session of the Sixty-third Congress, and I submit an adverse report (No. 108) thereon. The report can either be read or printed in the RECORD. I will ask that it be printed in the RECORD.

Mr. SMOOT. And that the joint resolution go to the calendar.

Mr. FLETCHER. Very well.

The VICE PRESIDENT. That action will be taken.

The report this day submitted by Mr. FLETCHER from the Committee on Printing is as follows:

SECOND EDITION OF THE CONGRESSIONAL DIRECTORY FOR SIXTY-THIRD CONGRESS, FIRST SESSION.

Mr. FLETCHER, from the Committee on Printing, submitted the following adverse report, to accompany S. J. Res. 66:

The Committee on Printing, to which was referred the resolution (S. J. Res. 66) providing for a second edition of the Congressional Directory for the first session of the Sixty-third Congress, having had the same under consideration, report said resolution adversely for the following reasons:

First. An edition of the Congressional Directory consists of 22,164 copies, to print and bind which would cost approximately $8,000.

Second. From a month to six weeks would be required to compile, print, and bind another edition of the Directory. Consequently a new edition would not be available before October 1, even if completed at the earliest date possible.

Third. The next regular edition of the Directory will be issued on Monday, December 1, the law (28 Stat. L., 617) requiring that the first edition of the Congressional Directory for a regular session of Congress shall be distributed on the first day of the session.

Fourth. The first edition of the Directory for this session of Congress was corrected up to April 16, 1913, since which date some of the departments and establishments of the Government have issued directories or lists of their officers that are available to Members of Congress. The vest-pocket edition of the Congressional Directory, issued by the Clerk of the House of Representatives, was corrected to June 17, 1913. The pamphlet directory of the Senate compiled under the direction of the Secretary of the Senate is corrected up to August 20, 1913. In addition to these directories, both the Secretary of the Senate and the Clerk of the House issue lists of the committees of the Senate and the House, respectively, which are kept corrected up to date, a new list being printed whenever a change in committee assignments occurs.

Your committee is of the opinion, therefore, that the expenditure of $8,000 for another edition of the Congressional Directory for this session of Congress is not justified in view of the fact that it would be used for only two months at the utmost and would contain but little information in addition to what is available already in the various directories issued by the Government.

EMPLOYMENT OF STENOGRAPHER.

Mr. BRISTOW. I submit the resolution which I send to the desk, and ask that it be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution (S. Res. 173) was read, as follows:

Resolved, That Senator JOSEPH L. BRISTOW be, and he is hereby, authorized to employ a stenographer, at a salary of $1,200 per annum, to be paid from the contingent fund of the Senate, for a period of 30 days.

Mr. WILLIAMS. If it be in order, I ask unanimous consent for the immediate consideration of the resolution, and will give briefly the reasons for so doing. The stenographer who was in the employ of the Senator from Kansas [Mr. BRISTOW] was shot the other night, as we all know, and is now in a hospital. It would be a very cruel thing for him to be deprived of his pay while he is there, and the Senator can not do his work without having some one to take the place of this young man. I would suggest to the Senator from Kansas that he make the resolution cover a period of 30 days, and if his stenographer is not well by that time it could be continued. If there should be a fatal result, of course the new employee would take the place of the old one. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. Under the law the Chair will have to rule that the resolution must go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. WILLIAMS. The Chair is right. Under the law it goes to the committee. It can not be considered until after it has been reported by the committee. I ask that it be referred to the committee, and then the Senator can poll the committee this afternoon, after which I will ask unanimous consent for its consideration.

Mr. WILLIAMS, subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the foregoing resolution, reported it favorably, and it was considered by unanimous consent and agreed to.

BILLS INTRODUCED.

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

By Mr. TOWNSEND:

A bill (S. 3044) to provide for the erection of a public building in the city of Hancock, Mich.; to the Committee on Public Buildings and Grounds.

By Mr. PENROSE:

A bill (S. 3045) granting a pension to Sarah E. Geiser; and

A bill (S. 3046) granting an increase of pension to Truman H. Tryon (with accompanying paper); to the Committee on Pensions.

By Mr. THOMPSON:

A bill (S. 3047) to correct the military record of Hiram Lane (with accompanying papers); to the Committee on Military Affairs.

By Mr. NELSON:

A bill (S. 3048) for the survey and construction of a public highway through the Superior National Forest, Minn.; to the Committee on Agriculture and Forestry.

By Mr. PERKINS:

A bill (S. 3049) for the relief of Edward R. Wilson, passed assistant paymaster, United States Navy; to the Committee on Naval Affairs.

By Mr. LODGE:

A bill (S. 3050) granting a pension to Margaret Gately; and

A bill (S. 3051) granting an increase of pension to David N. Landers (with accompanying paper); to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL.

Mr. JONES submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

SENATOR FROM ALABAMA (S. DOC. NO. 170).

Mr. BANKHEAD. I present opinions by Hon. Hannis Taylor and R. B. Evins, legal adviser to the governor of the State of Alabama, with reference to the appointment of the Hon. HENRY D. CLAYTON as a Senator from the State of Alabama. I ask that the opinions be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES.

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the House of Representatives, which was read:

House concurrent resolution 16.

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 27th day of August, 1913, at 12 o'clock and 45 minutes in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make them.

Mr. KERN. I move the adoption of the resolution.

The motion was agreed to.

THE TARIFF.

The VICE PRESIDENT. The morning business is closed.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. BRADLEY. Mr. President, it is a little dangerous for a Republican to warn the opposition of the results of the present bill lest he should be immediately accused of joining in a conspiracy to produce a panic.

I will say to our Democratic friends nothing is further from my purpose. In all I say I am attempting to show the folly of the present bill, and if possible thereby to avert a panic. If the future is to be judged by the past, I think I shall amply demonstrate that I have the best reasons for believing that the present bill threatens most serious consequences.

It has been said if any manufacturer closes his factory or reduces the number or compensation of his workmen he is to be mercilessly prosecuted and punished. Although he will be forced by this bill to compete with cheap labor, nevertheless he must continue to pay full prices, and even if he becomes bankrupt he will be punished for assisting in a panic.

This reminds me of the boy who was training a bull pup, who insisted that his father should move over the floor on all fours, when he would sick him on. The old man was persuaded to go through the motion, and when the pup fastened his teeth in his flesh the young teacher shouted, "Bear it, pap, bear it; it will be the makin' of the pup!" [Laughter.] And so you say to the manufacturer when foreign competition based on cheap labor is set upon him, "Bear it, bear it; it will be the makin' of a glorious measure that will reflect great credit upon a Democratic administration!"

I have many devoted friends in the Democratic Party who are bound to me by hooks of steel, men of the most exalted patriotism who are honestly politically chasing a feather, but, while I respect them and their party in many particulars, in view of their tortuous and contradictory tariff history, I do not believe their tariff opinions are entitled to serious weight. The history of Democracy on this question is one of continuous contradiction, as shown by its various declarations in national platforms. And to this history I refer in order to show either that they do not understand the question, or, what is worse, do not understand themselves. In either case they are not qualified to draft a proper bill.

In 1856, when Buchanan was nominated, it was announced in national convention that—

the time has come for the United States to declare in favor of free seas and progressive free trade throughout the world, and by solemn manifestations to place their moral influence at the side of their successful example.

Notwithstanding the disastrous results of Buchanan's administration, the Democratic national convention, in 1860, indorsed the platform of 1856.

In 1864 McClellan and Pendleton were nominated, but in view of the ocular demonstration of the effectiveness of protection under Lincoln, the Democratic Party in its national convention had nothing to say concerning the tariff. It would have

been better for the prosperity and happiness of our people had it remained silent to this good hour.

In 1868 Seymour and Blair were nominated, and the Democratic Party again dragged the tariff into prominence, so much changed, however, as to be scarcely recognizable when compared with the declaration of 1856. In that platform they declared for "a tariff for revenue only and such taxation under the internal-revenue laws *as will afford incidental protection.*" In the same platform they declared for "equal taxation of every species of property according to its real value, including Government bonds and other public securities."

In 1872 they had no platform of their own, but adopted the Liberal Republican platform, which declared in favor of a "system of Federal taxation which will not unnecessarily interfere with the industry of the people and which shall provide the means necessary to pay the expenses of the Government, etc.," and further declared, "and recognizing that there are in our midst honest but irreconcilable differences of opinion with regard to the respective systems of protection and free trade" (still recognizing the fact, notwithstanding the declaration in 1868 to the contrary, that the Democratic Party was wedded to the doctrine of free trade) "we submit the discussion of the subject to the people in their congressional districts and to the decision of the Congress thereon, wholly free from Executive interference or dictation." How does the latter part of this declaration correspond with the Democratic position of to-day, when admittedly the present bill is the creature of the President, who refused to allow(?) Congress to adjourn? When he cracks his whip every pony, gaily caparisoned, prances into the ring. When he fiddles the Democratic Congress dance, and when he ceases they all take on a funereal look and anxiously await more music. [Laughter.] He is indeed "monarch of all he surveys; his right there is none to dispute."

In other words, in the struggle of 1872 the Democratic Party had no opinion on the subject which it was willing to announce, the whole object being by combination with disgruntled Republicans to succeed at any cost and under any circumstances. Having failed in that campaign, in 1876 it became more independent in its platform declarations and demanded that "all customhouse taxation shall be only for revenue."

In 1880 it again declared in favor of "a tariff for revenue only."

In 1884 the Democratic national convention again changed front.

After declaring in favor of reducing taxation it pledges the party "to revise the tariff in a spirit of fairness to all interests. *But in making reductions in taxes it is not proposed to injure any domestic industries, but rather to promote their healthy growth.*" Continuing, it declares—

> From the foundation of this Government, taxes collected at the customhouse have been the chief source of Federal revenue. Such they must continue to be. Moreover many industries have come to rely upon legislation for successful continuance, *so that any change of law must be at every step regardful of the labor and capital thus involved.*

Continuing, it is said:

> The process of reform must be subject in the execution to this plain dictate of justice; all taxation must be limited to the requirements of economical government. The necessary reduction and taxation can and must be effected *without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in the country.*

How radically different are these declarations to the Democratic position on the pending bill.

This tariff declaration substantially favors protection, and not only differs with previous Democratic utterances, but is in direct conflict with the bill now being pressed for passage.

In 1888, when Mr. Cleveland was renominated, the Democratic platform followed somewhat the lines of 1884 in saying:

> Our established domestic industries and enterprises should not and need not be endangered by the reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, *with due allowance for the difference between the wages of American and foreign labor,* must promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continuous operations.

Here was a direct declaration that due allowance between the wages of American and foreign labor should be made. In the construction of the proposed law we have been told time and again that the cost of production here and abroad was not even considered in committee or caucus in the construction of the pending bill.

In 1892, however, when Mr. Cleveland was again renominated, the Democratic Party sang a different song. In that platform it declared "We denounce Republican protection as a fraud—a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic Party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purposes of revenue only" * * * "and we promise its repeal as one of the beneficial results" of Democratic success.

How does this compare with the declarations of 1884 and 1888, that the wages of American labor should be protected against that of foreign labor and that no industry should be endangered?

After four years of incalculable disaster under Cleveland, it became necessary for the Democratic Party in 1896 to haul in its tariff sails, and the free-silver idea was advanced as the great panacea for all national ills. The only reference to the tariff was that "the tariff should be levied for the purposes of revenue" (the word "*only*" being studiously omitted), and the further observation that "until the money question is settled we are opposed to any agitation for further changes in the tariff laws except such as are necessary to meet the deficit in revenue caused by the adverse decision of the Supreme Court on the income tax." In other words, the tariff question was relegated to the rear.

In 1900, after the overwhelming defeat of Mr. Bryan, it became necessary to find a new issue, and the doctrine of imperialism was brought to the front, while free silver was again declared for and the tariff given but little notice. The Democratic Party, as usual, was hunting for a new stalking horse and ready to change front in order to succeed. The only reference to the tariff was to declare in favor of putting the products of the trust on the free list and condemning the Dingley tariff law, notwithstanding the terrible result of Democratic legislation under Cleveland and the great prosperity under the Dingley law. This remarkable platform concluded with a pitiful wail: "Believing that our most cherished institutions are in great peril, that the very existence of our constitutional Republic is at stake, and that the decision now to be rendered will determine whether our children are to enjoy the blessed privilege of free government which have made the United States great, prosperous, and honored, we earnestly ask for the foregoing declaration of principles the hearty support of the liberty-loving people, regardless of previous party alliance." What a manifestation of falsehood and hypocrisy! Who believes that the Democratic Party was honest in that declaration? How were our cherished institutions imperiled? How was their existence at stake? How was the decision of the American people in that contest to determine "whether our children were to enjoy the blessed principles of free government?" That wail of despair was answered by the American people as it deserved, by the overwhelming defeat of the Democratic Party, and yet our cherished institutions are preserved, our constitutional Republic exists, our children enjoy the blessings of free government, and our country in the last 13 years has advanced in prosperity and power more than in any similar period of our history.

In 1904, again imperialism was advanced; the action of the Republican Party in regard to the trusts was reiterated and once more the tariff issue was resuscitated. Again we were told that protection was robbery, although Republican protection had opened the factories closed by the Wilson bill, had taken railroads out of the hands of receivers, and brought prosperity to every class of American citizens. However, it was gravely announced in the platform that the Democratic Party favored a tariff so levied *as not to discriminate against any industry, class, or section.* Certainly, we may assume that this declaration did not favor the reenactment of the Wilson law, as it had none of the attributes described. In that platform no fear was expressed for the "safety of the Republic, or the freedom of our children" as in the convention of 1900, the Democrats having recovered from their fright.

Again the American people weighed the Democratic Party in the balance and found it wanting.

In 1908, again Mr. Bryan was nominated, a revenue tariff made one of the issues, the position of the Republican Party in its convention of 1908 misrepresented, and various other issues presented. However, they declared that it should be so levied "*as not to discriminate against any industry, class, or section.*"

Now, we come to 1912, when the tariff question was again brought to the front, together with the high cost of living, for which we are solemnly assured the tariff is responsible. However, it was declared, "we recognize that our system of tariff taxation is intimately connected with the business of the country and we favor the ultimate attainment of the principle we advocate *by legislation that will not injure or destroy legitimate industry.*" Has this declaration been carried out? Let the present bill answer the question. The distinguished leader in the House has said that three years are given the cane and

beet sugar manufacturers in which to liquidate. In other words, they must then go out of business and surrender the market to the foreign producer. I might instance wool and other legitimate industries which this bill will destroy, but will not now detain the Senate. May we not well conclude that the last platform was made to get in on, but not to stand on.

This is a brief history of the various positions of the Democratic Party on the tariff. From a declaration favoring progressive free trade to silence, from silence to favoring protection, from favoring protection to an attitude of meek submission to Congress, from that back to protection, and from that to a declaration that a tariff for protection is unconstitutional and favoring a tariff for revenue only. It has twisted and turned, and turned and twisted so rapidly, that it reminds one of the man at the barbecue who danced so fast and whirled so quickly that no one could tell whether the patch on his pants was in front or behind. [Laughter.]

THE PAYNE-ALDRICH TARIFF BILL.

The Republican platform of 1908 and the Payne-Aldrich bill have been grievously misrepresented, and as I supported that bill I am impelled to come to its defense. The statement so often made that the platform pledged a downward revision of the tariff is not true. Its exact language is:

> 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 commends 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.

The Democratic position is the reverse of this. That party does not think that in making a tariff the difference in cost of production to the manufacturer or the farmer at home and abroad, whether superinduced by pauper labor or otherwise, should be considered. Indeed, the distinguished chairman of the Finance Committee has stated on this floor that this element was not even considered by his committee. Neither does it believe that a reasonable profit should be allowed to American industries. In other words, our manufacturers and farmers are supposed to be broad-minded and liberal-minded philanthropists who are not working for profit in this world, but solely for reward in the world to come. [Laughter.]

The Dingley bill proved a great blessing to our people. Before its passage many manufactories were closed, many thousands of laborers out of employment, and the farmers struggling for a precarious existence. As soon as it became the law manufactories were opened and others erected, wages increased, and employment given to every man who sought it. Agriculture took on new life, the products of the farm increased in value, and the song of prosperity and plenty was heard in every home.

Of course there were some inequalities in that law, as there always have been and will be in any tariff law. In the course of 9 or 10 years it became apparent a revision was necessary in order to meet the changed conditions of commerce and provide more revenue. If to accomplish these results it was found necessary to change its provisions, the Republican Party was ready to make the change, and it was equally as ready to increase duties when necessary as to curtail them. A special session was called by President Taft in conformity with the party declaration of 1908, and the committees continued their work of investigation. A thorough investigation was made extending over several months, and after full debate the Payne-Aldrich bill was passed. There were a number of provisions in that bill that I did not approve, but there was so much of good in it and so comparatively little harm and so great a necessity for canceling the deficit of $58,000,000 then existing and placing the Government on a safe and secure financial basis that I voted for the bill, and for that vote I have no apologies to offer. There is no sane man who will say that it was not an improvement on the Dingley bill, and yet its defeat would have left the latter in full force, and our deficit would have increased instead of being replaced with a large surplus, until an issue of bonds would have been necessitated to meet current expenses and indebtedness.

If a tariff bill had to be so framed as to satisfy every member of the majority of the party undertaking its enactment, then no tariff bill would ever be enacted. I did not feel that my individual views should outweigh those of the large party majority; nor do I believe that any man, or any comparatively small number of men, have more wisdom than an overwhelming majority. I felt that when the opposition was drawn up in battle array I should rally to our bugle call and fight the common enemy rather than lag in the rear. I do not criticize the integrity of those of my party friends who held a different opinion, but I do question their judgment. I believe in party unity. Without it defeat is inevitable, as we have learned to our sorrow. However many mistakes were embraced in the Aldrich law, the present bill is infinitely worse, and, all Republicans agree, is fraught with most serious consequences.

And right here I will add that I have no sympathy for those who vote for protection of an interest in their own State and against protection of any interest in other States, for if protection is right in one State it is right in all. They simply vote as one of old prayed—

> Lord, bless me and my wife,
> My son John and his wife;
> Us four and no more.

[Laughter.]

It has been charged an almost countless number of times that the Payne-Aldrich law was not a downward revision of the tariff, and it has been charged many times that it was an upward revision. These charges are utterly without foundation and yet many believe them to be true.

That bill contained the most liberal free list ever proposed up to that time, a number of articles in which have been eliminated by the present bill and placed on the dutiable list.

Again, that was the first bill which contained a maximum and minimum provision which fully enabled the President to protect American commerce from unjust and unfair discrimination abroad.

Some of the schedules of the Dingley bill were not altered and others not materially changed, among the latter the wool and sugar schedules, notwithstanding which our critics on the stump charged in many localities that the duties on these two articles had been increased. In the House, reductions were made in 654 numbers, increases in 120, and 1,150 remained unchanged. About the same proportion was maintained in the Senate, and yet we have been told it was not a downward revision.

The price of every article of food was reduced, but prices, nevertheless, have continued to advance, thus showing conclusively that the tariff is not the cause of present high cost of living.

The increases in the Payne bill were largely on liquors, wines, silks, perfumes, fancy ornaments, ostrich feathers, high-priced cotton, and such articles as were in use by the rich and lowered on articles of prime necessity and common use.

But still we are told it was not a downward revision.

Following its passage our imports increased, over those of 1909, $245,027,206 in 1910; in 1911, $215,305,881; in 1912, $341,344,710; and in 1913, $501,058,010, or more than a half billion, the total increase in the four years over those of 1909 being the enormous sum of $1,302,735,807. And yet we are told that a bill accomplishing this enormous increase of imports in four years was not a downward revision.

Again, the amount of free importation increased many millions every year until in 1912 the per cent of free imports compared with total imports was 53.73, showing that considerably over one-half of all imports were free of duty. And yet we are told, in the face of this convincing fact to the contrary, that the bill was not a downward revision of the tariff. Under the Dingley law the average ad valorem duty collected on all imports was 25.48 per cent, under the McKinley law 22.12 per cent, under the Wilson-Gorman Democratic law 21.92 per cent, while under the Payne law it was for three years 19.98 per cent (I have not been able to obtain the statistics for last fiscal year), thus showing that it was nearly 2 per cent less under that law than it was even under a Democratic tariff, and yet we are told that the revision was not downward.

The average duty collected on dutiable imports alone under the Dingley law was 45.76 per cent, under the McKinley law was 47.10 per cent, under the Wilson-Gorman law 42.84 per cent, and under the Payne law for three years was only 40.95 per cent, thus showing a decrease of nearly 2 per cent of the rates of a Democratic tariff, and yet this law, which has been fully vindicated by time, has been denounced as not being a downward revision. But while this law was a downward revision and has accomplished such good results as to importations, the rates were so adjusted that exports have largely increased every year over those of 1909, amounting in all to $1,812,477,052, the last fiscal year showing them to have been $2,465,884,149, the largest annual exportation this Nation has ever enjoyed. And yet our Democratic critics, unwilling to correct any inequalities that may exist under the present law, are embarking upon threatening seas, with no compass save that of caucus, in a rudderless ship, which must go down when it encounters the breakers, only a little ahead. Like the swan, they will sail majestically on, utterly unconscious of the unfathomable depths beneath. [Laughter.]

LOW TARIFF.

History proves that low tariff legislation has been a failure. One of the most convincing proofs of the truth of the assertion that low tariffs have proven disastrous is the fact that during the existence of low tariffs in this Nation, covering a period of 59 years, imports exceeded exports $514,054,941. In other words, during that time we purchased abroad that amount more than we were able to sell. The nation which buys more than it sells abroad can not be said to be prosperous. Its home-manufactured goods are not only displaced by foreign-made goods, but its money is sent abroad, thereby diminishing the home circulation to that extent.

There is no year under the Payne bill that we did not sell as much as $215,000,000 more than we bought and in the last fiscal year we sold nearly $652,905,915 more than we bought, and of course we gained that much in our circulating medium. In other words, we were enabled from what we received abroad to replace every dollar we had sent abroad and increase our circulating medium at home with foreign money to that extent.

For a few moments I call attention to the Walker tariff, which is claimed to be the masterpiece of Democratic tariff statesmanship. That bill went into effect December 1, 1846, and was followed by another of like character with some changes with lower ad valorems on July 1, 1857.

During its continuance our country was for a time in a degree prosperous. Prices were fairly good and people were going to the West, buying farms, and improving the farming industries of that section. But the Walker tariff was not the cause of the prosperity. For some four years during the existence of that tariff the Crimean War furnished a market for a vast amount of farm produce. During the early period of its existence the Mexican War created an unusual demand for American goods and foodstuffs. In 1849 gold was discovered in California and was largely mined every year thereafter, augmenting greatly our national wealth and enabling us to pay foreign balances. Besides, during this time, there was a famine in Ireland, which increased exportation. These were all fortunate circumstances for the law, in the absence of which it would have brought untold ruin and disaster. In 1847, about seven months after the passage of the law, it is true that exports exceeded imports $34,317,249, but this was the exception. Every year thereafter up to and including 1857 imports exceeded exports, in all during that period $346,512,980. Therefore, crediting the surplus of 1847 the next result of the Walker bill was an excess of imports over exports of $312,195,731.

The amended Democratic tariff law went into effect July 1, 1857, and at the end of the year exports exceeded imports $8,672,620. But this was only spasmodic, for in 1859, 1860, and 1861 imports again exceeded exports in all $128,228,061, the net excess of imports for four years being $119,555,441.

The Walker bill and the amendment thereto combined inflicted a net increase of imports over exports of $431,761,172. Besides during this period Treasury certificates were issued for $40,000,000 to maintain the Government. Compare this, if you please, with four years of the Payne tariff. During that time our exports have exceeded imports one thousand nine hundred and fourteen millions of dollars.

On the 8th day of December, 1852, after six years' operation of the Walker bill, President Fillmore, in his third annual message, called attention to the injury it had inflicted. Said he:

> In my first annual message to Congress I called your attention to what seemed to me some defects in the present tariff, and recommended such modifications as in my judgment were best adapted to remedy its evils and promote the prosperity of the country. Nothing has since occurred to change my views on this important question.
>
> Without repeating the arguments contained in my former message in favor of discriminating protective duties, I deem it my duty to call your attention to one or two other considerations affecting this subject. The first is the effect of large importations of foreign goods upon our currency. Most of the gold of California, as fast as it is coined, finds its way directly to Europe in payment for goods purchased. In the second place, as our manufacturing establishments are broken down by competition with foreigners, the capital invested in them is lost, thousands of honest and industrious citizens are thrown out of employment, and the farmer, to that extent, is deprived of a home market for the sale of his surplus produce. In the third place, the destruction of our manufactures leaves the foreigner without competition in our market, and he consequently raises the price of the article sent here for sale, as is now seen in the increased cost of iron imported from England.

Later, on December 8, 1857, after 11 years of its operation, surrounded by the ruin it had wrought, a Democratic President, Mr. Buchanan, in his annual message, said:

> We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country in its monetary interests is at the present moment in a deplorable condition. In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of national wealth, we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the Government, which is chiefly derived from duties on imports from abroad, has been greatly reduced, whilst the appropriations made by Congress at its last session for the current fiscal year are very large in amount.

By reason of the unfortunate results of the Walker tariff law and its amendment, when the Republican Party came into power in 1861, it found our industries crippled, business stagnated, and faced an indebtedness of $90,867,826.

And this is the history of the wonderful tariff bill which is the boast of the Democratic Party.

Bad as was the Walker bill, it was not a tithe as destructive as the Wilson-Gorman bill of 1894.

In the Democratic platform of 1892, it was declared that Republican protection was a fraud—a robbery of the majority for the benefit of the few; that the Federal Government had no constitutional authority to impose and collect duties except for revenue only; that the McKinley tariff bill was the culminating atrocity of class legislation, and its repeal pledged.

This was the strongest anti-tariff declaration made up to that time since 1856. It put every manufacturer and producer on notice as to the future. After the election of Mr. Cleveland, knowing that the storm was certain to come, men of large business affairs begun to haul in their sails. Production was materially curtailed, wages were lowered, manufactories reduced to half time, and in many instances closed, and hundreds of thousands of laborers thrown out of employment, who in a starving condition thronged the streets of the large cities where they were fed by public charity. Meanwhile, Mr. Cleveland called a special session for tariff and other legislation. This only increased the terrible condition of affairs. Banks suspended, railroads went into the hands of receivers, large business houses became bankrupt, and the prices of farm products and live stock enormously decreased in value. Of these conditions Samuel Gompers, the great labor leader, said in the labor convention of 1893:

> Since August of this year we have been in the greatest industrial depression this country has ever experienced. It is no exaggeration to say that more than 3,000,000 of our fellow toilers throughout the country are without employment and have been so since the time named. * * * Never in the history of the world has so large a number of people vainly sought for an opportunity to earn a livelihood and contribute to the support of their fellows.

In his message to the called session of Congress August 8, 1893, President Cleveland said:

> With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise, SUDDENLY financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, though heretofore satisfactory, are no longer accepted. Values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business.

In his annual message four months later, December 4, 1893, President Cleveland said:

> At this time, when a depleted Public Treasury confronts us, when many of our people are engaged in a hard struggle for the necessaries of life, and when enforced economy is pressing upon the great mass of our countrymen, I desire to urge with all the earnestness at my command that congressional legislation be so limited by strict economy as to exhibit an appreciation of the condition of the Treasury and a sympathy with the straitened circumstances of our fellow citizens.

From this time until the conclusion of his administration Mr. Cleveland seems to have remained silent concerning the condition of the country, for he was unable to see any light breaking through the gloom of woe and desolation. Not only did he fail to find any consolation, but Mr. Gompers, in a signed statement published in New York January 1, 1898, said:

> That terrible period for the wage earners of this country which began in 1893 and which has left behind it such a record of horror, hunger, and misery practically ended with the dawn of the year 1897. Wages had been steadily forced down from 1893 till toward the end of 1895, and it was variously estimated that between two million and two and a half million wage earners were unemployed. It is agreed by all that the wage earners are the principal consumers of American products, and it necessarily follows that a reduction in wages involves a diminution in the power of consumption, and consequently a proportionate decrease in production, and, naturally, also in the force of labor required for the production. A reduction of wages, therefore, results in an increase in the army of the unemployed, and any circumstances or combination of circumstances that will check reductions in wages, and hence the diminution of consumption by the masses, is a humane act, based on the soundest laws of economics and of progress.

There can be no doubt that hard times commenced immediately following the election of Mr. Cleveland, for the very reason he himself gives: "Suddenly financial distress and fear sprang up on every side."

Now, for a few moments let us look at the other side of the picture. In his last annual message, President John Adams said:

I observe, with much satisfaction, that the product of the revenue during the present year has been more considerable than during any former period. This result affords conclusive evidence of the great resources of the country and of the wisdom and efficiency of the measures which have been adopted by Congress for the protection of commerce and preservation of the public credit.

In December, 1832, concerning the results and benefits of eight years of protection under the tariffs of 1824 and 1828, President Andrew Jackson said:

Our country presents on every side marks of prosperity and happiness, unequaled, perhaps, in any other portion of the world.

Indeed, among all the Presidents from Washington to Buchanan I have found no complaint of disaster or ruin having accrued by reason of protection. I will let Mr. Gompers testify (Gompers's Report, 1899) as to the improved conditions following the Cleveland administration:

The revival of industry which we have witnessed within the past year is one for general congratulation, and it should be our purpose to endeavor to prolong the era of more general employment and industrial activity. In this effort no power is so potent as organized labor, if we but follow a right and practical course. It is beyond question that the wages of the organized workers have been increased and in many instances the hours of labor either reduced or at least maintained.

Instead of imports exceeding exports under protective tariffs, exports have exceeded imports more than eight thousand eight hundred and sixty-five millions. These enormous figures are the most overwhelming testimony of the benefit of protection. And it must not be forgotten that of this large balance of exports more than eight thousand four hundred and eighty-two millions accrued since 1897, under the Dingley and Payne bills, a period of only 16 years.

THE PENDING BILL.

The bill which we now have before us should have the title changed so as to read:

An act to reduce tariff duties, to provide revenue for the Government, to encourage foreign manufacturers and farmers, to reduce the wages of American workmen, and for other benign and laudable purposes apparent in the bill, but not elsewhere.

[Laughter.]

At the special session of 1911 and the last regular session bills were passed regulating the chemical, metal, and wool schedules and providing for a farmers' free list. All of them were vetoed by President Taft. The present bill deals with all these subjects and no more resembles those vetoed than an alligator resembles a woodchuck. [Laughter.] Either those bills were right and this bill wrong or the present bill is right and they were wrong. If the former be true, the present bill should be defeated; if the latter be true, the first-mentioned bills exhibited a woeful amount of ignorance and a reckless disregard of American interests. Our antagonists can choose either horn of the dilemma with but small satisfaction. [Laughter.]

It is admitted that the present bill was framed without considering the difference in cost of production, here and abroad. Such an admission, however, is unnecessary, for the bill speaks for itself.

This bill is substituted for a law that breathed new life into failing industries, that found work for thousands of idle cars and hundreds of motionless engines, that increased wages and gave employment to hundreds of thousands of idle workmen; that took railroads and banks out of the hands of receivers; that gave just remuneration to the farmer for his products that has paid the expense of the Government and caused our export and inland trade to expand as never before. They propose in this bill to remove the motive power that accomplished all these results, the power of protection, and restore the principle contained in the Wilson law that caused so much injury and which was repealed by the Dingley law—and yet they tell us we shall all prosper and be happy. The poison of 1913 is the poison of 1894, and as like causes produce like results we must expect the repetition of all the troubles growing out of the Wilson bill. It is true that up to this time disasters have not afflicted us to such an extent as in 1893–94 and the following years. This is doubtless due to the declaration in the platform of 1912 that, "recognizing that tariff taxation is intimately connected with the business of the country, we favor the ultimate attainment of the principles we advocate *by legislation that will not injure or destroy legitimate industry.*

But, nothwithstanding this, there has been a material shrinkage in the value of stocks and bonds, amounting to millions of dollars. The distinguished Senator from Utah [Mr. SMOOT] in his recent very able and exhaustive speech read articles from leading and reliable sources showing remarkable shrinkage in the value of mill stocks, textile stocks, and in orders for goods, while the senior Senator from Pennsylvania [Mr. PENROSE] referred to numerous instances of depression and loss in his State. All this is but the beginning of the end.

The substitution of ad valorem for specific duties is a grave mistake. Such rates must be applied on the value of the goods in the foreign country on the day of their shipment notwithstanding values are exceedingly uncertain and constantly fluctuating, sometimes each hour. The matter of values is at all times perplexing to customs officers and serve as a shelter for the dishonest importer. Hence, they are an element of great uncertainty to the manufacture and sale of American products. In flush periods when prices are high the duty will be correspondingly high, while in times when prices are low the duty will be correspondingly low.

Not only have all our Secretaries of State, except Mr. Walker and Mr. Bryan, I believe, objected to this method, but also a large majority of our great statesmen. Among the latter notably stands one of the ablest Democratic Presidents—Mr. Buchanan. His discussion is so forceful and unanswerable that I trust I may be pardoned for inserting it at such length. In his second annual message, December 6, 1858, he said:

In regard to the mode of assessing and collecting duties under a strictly revenue tariff, I have long entertained and often expressed the opinion that sound policy requires this should be done by specific duties in cases to which these can be properly applied. They are well adapted to commodities which are usually sold by weight or by measure and which from their nature are of equal or of nearly equal value. Such, for example, are the articles of iron of different classes, raw sugar, and foreign wines and spirits.

In my deliberate judgment specific duties are the best, if not the only means of securing the revenue against false and fradulent invoices, and such has been the practice adopted for this purpose by other commercial nations. Besides, specific duties would afford to the American manufacturer the incidental advantages to which he is fairly entitled under a revenue tariff. The present system is a sliding scale to his disadvantage. Under it, when prices are high and business prosperous, the duties rise in amount when he least requires their aid. On the contrary, when prices fall and he is struggling against adversity, the duties are diminished in the same proportion, greatly to his injury.

Neither would there be danger that a higher rate of duty than that intended by Congress could be levied in the form of specific duties. It would be easy to ascertain the average value of any imported article for a series of years, and, instead of subjecting it to an ad valorem duty at a certain rate per centum, to substitute in its place an equivalent specific duty.

By such an arrangement the consumer would not be injured. It is true he might have to pay a little more duty on a given article in one year, but, if so, he would pay a little less in another, and in a series of years these would counterbalance each other and amount to the same thing, so far as his interest is concerned. This inconvenience would be trifling when contrasted with the additional security thus afforded against frauds upon the revenue, in which every consumer is directly interested.

In his fourth annual message, December 3, 1860, he again called attention of Congress to this matter, as follows:

In this aspect I desire to reiterate the recommendation contained in my last two annual messages in favor of imposing specific instead of ad valorem duties on all imported articles to which these can be properly applied. From long observation and experience I am convinced that specific duties are necessary, both to protect the revenue and secure to our manufacturing interests that amount of incidental encouragement which unavoidably results from a revenue tariff. As an abstract proposition it may be admitted that ad valorem duties would in theory be the most just and equal. But if the experience of this and of all other commercial nations has demonstrated that such duties can not be assessed and collected without great frauds upon the revenue, then it is the part of wisdom to resort to specific duties. Indeed, from the very nature of an ad valorem duty this must be the result. Under it the inevitable consequences is that foreign goods will be entered at less than their true value. The Treasury will therefore lose the duty on the difference between their real and fictitious value, and to this extent we are defrauded.

The temptations which ad valorem duties present to a dishonest importer are irresistible. His object is to pass his goods through the customhouse at the very lowest valuation necessary to save them from confiscation. In this he too often succeeds in spite of the vigilance of the revenue officers. Hence the resort to false invoices, one for the purchaser and another for the customhouse, and to other expedients to defraud the Government. * * *

They are thus enabled to undersell the fair trader and drive him from the market. In fact the operation of this system has already driven from the pursuits of honorable commerce many of that class of regular and conscientious merchants whose character throughout the world is the pride of our country.

The remedy for these evils is to be found in specific duties, so far as this may be practicable. They dispense with any inquiry at the customhouse into the actual cost or value of the article, and it pays the precise amount of duty previously fixed by law. They present no temptations to the appraisers of foreign goods, who receive but small salaries, and might by undervaluation in a few cases render themselves independent.

Besides, specific duties best conform to the requisition in the Constitution that "no preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another." Under our ad valorem system such preferences are to some extent inevitable, and complaints have often been made that the spirit of this provision has been violated by a lower appraisement of the same articles at one port than at another. * * *

Specific duties would secure to the American manufacturer the incidental protection to which he is fairly entitled under a revenue tariff, and to this surely no person would object. * * *

Under the present system it has been often truly remarked that this incidental protection decreases when the manufacturer needs it most and increases when he needs it least, and constitutes a sliding scale which always operates against him. The revenues of the country are

subject to similar fluctuations. Instead of approaching a steady standard, as would be the case under a system of specific duties, they sink and rise with the sinking and rising prices of articles in foreign countries. It would not be difficult for Congress to arrange a system of specific duties which would afford additional stability both to our revenue and our manufactures and without injury or injustice to any interest of the country.

But it is contended not only that protection is a violation of the Constitution, but is morally wrong. The dominant party proposes not only to enforce the Constitution, but to go forth in the great field of morality and become reformers par excellence in this favored land.

Hence, while it is true that duties are now levied to protect the producer and the wageworker in mine, in factory, and on the farm, it is proposed that they shall be largely reduced in many instances, and, if necessary, eliminated, in order that more goods may be purchased abroad at cheaper rates and thereby increased amounts of revenue collected.

Now, notwithstanding all goods imported displace that much home-manufactured goods, in consequence of which home wages are impaired and the market for home products correspondingly decreased in price and volume which must necessarily bring down to the foreign level all prices of labor, they claim they will nevertheless bring about a golden era of prosperity in every branch of national industry. The statement of such a proposition is its most complete refutation. They might just as well tell us that we can eat our cake and still have it, that the farmer whose grain and live stock are forced down to the level of the Canadian market, and for that matter to the market of every other country in the world, will thereby be benefited, and that the workingman will flourish like the green bay tree when his wages have been placed on the level of those paid abroad. We must conclude from this contention that they believe the farmer and the wageworker are making more money than they are entitled to, and that when this condition ceases, for all losses they sustain they will be more than compensated by cheap food, clothing, and other articles. They seem to forget that the farmers produce nearly all they consume, and if the value of their products is materially decreased the great loss caused thereby can not be compensated by the small amount they pay for the few articles they do not produce; and that the small amount saved by the wage earner will not compensate his great loss in wages.

The full effect of this bill is heavy reductions on finished products and increased duty on many raw materials which can not be produced in this country.

That this bill is sectional there can be no doubt. The powerful and unanswerable speech of the senior Senator from Iowa [Mr. CUMMINS] conclusively proves this to be true. I will refer to only a few instances sustaining this charge. Cotton bagging is free, while bags or sacks for the grain of the farmers of the West and elsewhere bear a duty of 10 per cent ad valorem or must be made from fabrics woven in this country that bear a duty of 20 per cent ad valorem. Tobacco, an almost entirely southern product, bears a good rate of duty, to which I do not object, but why should this be provided on the theory of producing revenue, when the immense beet-sugar industry of the West and the great wool industry, mostly confined to that section, are made free, the two producing a revenue five times as great as tobacco. And especially is this course objectionable when foreign countries in some instances give assistance to the sugar industry, the Russian Government paying a bounty on exports.

Even the small duty of three-tenths of 1 cent per pound on cotton ties has been removed, and they have been placed on the free list. As I understand, each bale of 500 pounds requires six ties. These ties weigh 9 pounds and are sold for 2 cents a pound—18 cents. The farmer receives, say, 12½ cents per pound for his bale of cotton, the ties being sold as a part of the purchase price. In other words, he receives $1.12½ for ties which cost 18 cents, thus making, clear profit, 94½ cents on the transaction. But this is not enough. The object of the present bill is to give him the full profit of $1.12½.

Not only are the farmers, especially of the West, injured, but the manufacturers of finer fabrics of cotton in the East are punished, while the cotton manufacturer of the South is strictly cared for, the rate of duty on the finer fabrics, which cost enormously more to produce, being entirely inadequate.

PROTECTION.

One of the strongest arguments that protection is right is the frequent change of the Democratic Party on the subject. They do not seem to be certain of anything.

We are told that the levying of a tariff for protection is without constitutional authority, and that at stated periods beginning with Washingon and down to the present time the Constitution has been openly and notoriously violated. This declaration is not only untrue, but is a slander on the memories of all the great and good tariff Presidents this country has ever had. Each of them took an oath to support the Constitution. From Washington to Wilson, except Polk, Pierce, Van Buren, Buchanan, and Cleveland, if we are to believe this contention, all our illustrious and patriotic Presidents have soiled their souls with a lie. Not only has Congress the power (sec. 8, art. 3) under the Constitution to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and also for the general welfare of the United States, but it has the further power "to regulate commerce with foreign nations."

This language is so manifestly plain that it seems "a wayfaring man though he be a fool can not err therein." Not only has Congress the power to lay and collect duties to provide for the general welfare, but in the regulation of commerce it has the power not only to tax but to absolutely prohibit foreign commerce.

We are frequently told that many of the great statesmen of the past favored protection because our manufactories were in their infancy and now that they have grown older protection should be withdrawn.

When our industries were established, by reason of slow and exorbitant transportation, they had comparatively little competition. Years ago steam displaced sailing vessels, transportation became much cheaper and much more rapid, and freight rates now are not more than one-fifth their cost in the distant past. It has been estimated by experts that of late years every ton of coal carries 35 times more of cargo than before.

In 1790 the value of imports was only $23,000,000; now their value is $1,815,970,234, having increased in volume nearly 79 times. We are now in rapid communication with all the countries of the world, and their products may be easily brought to our doors. American wages are about double those in the most favored foreign lands, and in addition to cheap labor there we are facing the pauper labor of India, China, and Japan. Hence, protection is even more necessary now for the safety of our manufactories, farmers, and laborers, than it was in the infancy of the Republic. We must erect the necessary barrier to keep out the products of cheap labor, or our manufacturers, farmers, and laborers, indeed all our people, will be overwhelmed. We must either do this or adopt the common level of labor abroad, and when that is done national destruction awaits us. We hear much of protecting the despised manufacturer. True, he is protected. He can not be expected to maintain factories merely for philanthropic purposes, or for his health; for in such a case he would lose his health and philanthropy would end in bankruptcy. But at last, protection is inspired mainly for the good of those who labor in factories, mines, on the farms, and elsewhere. It is necessary not only for the well-being of the laborers to maintain good wages, but also for the benefit of the farmer, for they are his customers. When their wages are decreased their purchasing power is decreased; when their wages cease they are shorn of all purchasing power.

Again, we must have protection in order to keep our gold at home and thus maintain our circulating medium.

According to the census of 1909, the number of salaried employees and wage earners in the manufactories was 7,405,313; the number of wage earners in the mines was 1,175,188; and the number of farm laborers about ten millions—making in all 18,580,501. These people with their families, which we will average at three, aggregate 55,741,503—more than one-half our entire population, and all of them are consumers. Add to these, laborers with good wages engaged in other gainful pursuits with their families and dependents; the manufacturer, the farmer, and the mine owner, and we will have fully 80 per cent of our population, all of whom are consumers and nearly all of whom are dependent on good wages. All of them, except the farmer, are the customers of the farmers. The farmers need not to be told that when the wages of this great industrial army are reduced that they have no longer the same purchasing power and that a material reduction in their wages will bring disaster to them. The prosperity of manufacturing, mining, and farming require a hearty cooperation of each with the other, and these three great industries constitute the very bone and sinew of prosperity. When the farmers, the mine owners, and the manufacturers are prosperous the whole country is prosperous. When in addition to the injury to mine and factory, inflicted by this bill, wool, sugar, live stock, and grain are admitted free, the condition of the farmer will be indeed appalling.

I have not seen reports as to the number of wage workers in 1913, but it follows as a matter of course that they have largely increased during the last four years.

England is now our chief competitor in cotton, but the day is near at hand when Japan shall take her place. It is not far distant from the cotton fields of India and China, where wages are comparatively nominal. In Japan wages are only a fractional part of those paid here. She has an abundance of labor. Four-fifths of her operatives are women and children, who receive comparatively, with our country, no wages.

The mills in Japan do not stop on Sunday. They have two holidays in each month, the 1st and the 15th. They commence work at 6 o'clock on the morning of the 2d and continue until 6 o'clock on the morning of the 15th. On the morning of the 16th they again commence at 6 o'clock and continue until 6 o'clock on the morning of the 1st, no stop being made for luncheon, the hands taking 30 minutes in rotation and spare hands taking the places of each set. They have bought the most approved machinery here for models and readily reproduced them by their cheap labor at only a tithe of their cost here. We must soon confront these people, and yet the present bill renders us unable even to meet existing conditions.

Our Democratic friends have thrown down the bars and issued a cordial invitation to the cheap labor of the whole world to compete with American labor, and yet they tell us we will prosper under the results that will come from this wonderful measure, which has all the vices and but few of the virtues of its predecessors.

So far as this bill attempts to injure the great iron and steel companies it will fall short of its purpose. They are rich and powerful and can withstand the shock. But it will fall with crushing effect upon the smaller companies, thereby centralizing all the business of this country in the hands of the one powerful organization.

They tell us they desire to remove duties from articles manufactured by our trusts. They seem not to have thought of the trusts abroad which will reap the benefit of this legislation. Does it not seem reasonable that we can better contend with our home trusts, which we can actively prosecute, than with foreign trusts entirely beyond our control?

It is charged in the late Democratic platform that the tariff is the cause of the high cost of living, and a pledge is made to reduce the cost. That the present tariff has nothing to do with the cost of living has been demonstrated time and again. For 12 years preceding the passage of the Payne law it was substantially the same on foodstuffs, and for a number of years the prices did not increase. Four years ago duties were lowered 20 to 30 per cent on nearly every article of food by the Payne law, notwithstanding which prices continued to advance. There is no protective tariff in Great Britain; nevertheless, the British Board of Trade has recently issued a report in which it is stated that present prices in that country are the highest known in 25 years. That retail prices of food have advanced far more than prices of wages since 1890, and that prices of almost all foodstuffs, except tea and sugar, have rapidly increased, the greatest being 32 per cent in bacon and 46 per cent in potatoes. It is an indisputable fact that prices of food have increased steadily throughout the world for the past 10 years or more; even in Japan they have more than doubled in the last 10 years. One reason for this is the large increase in the coinage of gold, which furnishes the highest standard of value, and to this standard all other values are forced to conform. Another reason is that there has been great progress throughout the world, and with progress always comes increased prices. In this country there are many other causes. Among them is the large increase in city and decrease in rural population. Boys are not content to live on the farm. Years ago the farmer who had 10 sons reared nearly all of them for farmers; occasionally one entered some other profession; but the farmer who has 10 sons now is fortunate if he can induce one to continue on the farm. They almost universally desire to be lawyers, doctors, preachers, engineers, teachers, politicians, etc. Hence, quack doctors, jackleg lawyers, starving preachers, and worthless politicians have increased, while the number engaged in agricultural pursuits has diminished. [Laughter.] Again, our population has increased a much greater per cent than our farm products. Another reason for the high prices is the largely increased cost of distribution and delivery of food. Now it is ordered over the telephone and delivered by wagon or automobile.

Another is the extra demand for foodstuffs to maintain the 8,000,000 immigrants who have come to this country during the last 11 years, not 5 per cent of whom have sought work on the farm, the other 95 per cent having gone into the factories, mines, and public works and became consumers. Another reason is the enforcement of pure-food laws which exclude from consumption large quantities of food heretofore placed on the market. Another is the scale of prices adopted by the middleman and the retailer. Another is that our people of all classes are living more extravagantly than in any period of our past history. Another is that the value of land and the amount of taxes have largely increased, as have also the wages paid for farm labor. There are many other reasons that might be assigned, but time forbids. In my judgment, the only practical and substantial relief from present conditions will be found in the practice of economy, in the increase in farming, and in the better and more scientific cultivation of land so that the quantity produced will be largely increased.

If I remember correctly, during Mr. Cleveland's administration there was no complaint concerning the price or scarcity of food; the trouble was then to get the money to pay for it. In one instance alone during that period 3,000 men out of employment tramped the streets of the comparatively small city of Seattle and were fed at public expense. I am told at that time a notice was posted at one point in the city which read:

BILL OF FARE.

Soup, one kind of meat, potatoes, one kind of pie, one cup of coffee. Price for the meal, 5 cents.

And yet it has been said that there were then in Seattle 3,000 people who did not have that 5 cents. [Laughter.]

There is only one way in which the tariff can affect the price of food, and that is by so adjusting it as to destroy the prosperity of the country. Our Democratic friends may succeed in this way in keeping their pledge to decrease the cost of living, but it must follow that they will materially lessen or destroy the ability to purchase.

The more wages paid for producing a given commodity, the greater will be the cost of producing it. Therefore, the producer who pays these wages will have the highest cost of production and consequently needs the highest price for his product. Again, if American products cost more on account of wages paid, it follows when they are reduced to the price of foreign products the price of labor will fall.

No country can prosper that has not the necessary amount of circulating medium. The mere possession of money amounts to nothing if it does not circulate. Active and plentiful circulation of good money is as necessary to the commercial life of a nation as is active and plentiful circulation of pure blood to human life. No nation can succeed that robs itself of its gold by sending it abroad. The operation of a protective tariff goes further to accomplish the retention and circulation of money at home than all other agencies combined. Indeed, without a protective tariff the preservation of our circulation is impossible. When we buy here we have both the goods and the money. When we buy abroad we have the goods, but have parted with the money. Every dollar that goes abroad lessens to that extent the circulating medium here. Every dollar of goods purchased abroad takes the place of that much produced here. When we decrease our money and decrease our market for home products, we not only open the barrel at the spigot, but also at the bunghole.

A wholesale merchant in Louisville, Ky., desires to purchase a stock of goods costing $100,000. He concludes that he can purchase in London 10 per cent cheaper than in New York; he goes to London, buys the goods, and gives in exchange $100,000 of American gold. It follows necessarily that our circulation is decreased $100,000 and that of England increased to the same extent. He brings his goods to America, and upon reaching this country they displace $100,000 worth of goods made by the American workingman, thereby inflicting an injury on him. Another merchant in Louisville concludes to purchase the same value of goods in New York. He pays in New York $100,000 for American-made goods, and that money continues to be a part of our home circulation and the American workingman is assisted to that extent. The New York merchant concludes to invest in tobacco and buys $100,000 worth of tobacco in Kentucky, and the money returns. The tobacconist concludes to buy $100,000 worth of rice, and the same money concludes that purchase in South Carolina. The dealer in South Carolina invests the money in sugar in Louisiana, and the sugar planter with the same money pays the expenses of the running of his plantation, such as the laborer in the field, the cooper, the insurance agent, and various other creditors. These persons pay their creditors, and they in turn pay theirs, so that the same $100,000 has performed the function of $600,000. It has remained here, circulating from place to place, canceling indebtedness, developing commerce, and stimulating American enterprise and labor, while the $100,000 sent abroad, instead of performing those functions here has accomplished them abroad.

It required but a short time for Bismarck to discover the truth of his statement that the protective tariff was the main cause of American prosperity and acting upon our example to establish protection in Germany. The vast increase in prosperity following that action has been a source of astonishment to the commercial world.

France, inspired by our example, also adopted protection, and the result has proven most salutary. Both her prosperity and national wealth have enormously increased. The doctrine of protection has been adopted throughout Europe with the most favorable results.

England is the only country on earth of any importance that opposes protection. Her agricultural interests were sacrificed in order that the worlds market for manufacturers might be gained. But even in the world's market for manufacturers she has been surpassed by the United States. If Great Britain were blockaded for 90 days her people would be in a state of starvation, but no blockade however prolonged could have that effect on the United States.

England's great colonies refused to follow her example and adopted a protective tariff. A few years ago Canada was making poor progress, but after she enforced protection her prosperity has been most remarkable. And when the pending bill shall have become a law, giving her in many important respects free access to our markets, we shall see her prosperity advance by leaps and bounds and immigration from the United States to her borders will largely increase.

The statement that the tariff is the mother of trusts has not been made for a long while. That the tariff has no effect on trusts is exemplified by the fact that they exist as plentifully in free-trade England as they do in the United States. Probably the opposition have learned that competition alone is the breeder of trusts. A, B, and C are manufacturing the same article and are selling at small profits on account of competition. Hence, they conclude to merge, not only for the purpose of paying the expense of one management instead of three, but to raise the price, and thus we have a trust. Much was done under the administrations of Roosevelt and Taft to curb and dissolve trusts, while comparatively nothing was done under the administration of Mr. Cleveland.

But we are told that the consumer pays the tariff. This may be true in the beginning of an industry, but it has almost, if not universally, been demonstrated that after an industry has become properly established competition ensues and prices go down. I might especially instance steel rails, nails, silk, and tin. The reason for this is quite apparent. A sees that B is prospering in a given line of a new industry, and hence concludes to embark in that business, and others seeing his success do likewise. Thus competition springs up on every hand. Out of competition grows increased manufactures, and following that reduction in prices. As prices are lowered the demand increases, and each manufacturer has increased sales. When they sell they can well afford to lower the price on account of the quantity sold, for a small margin of profit on a large quantity of goods produces more than a much larger margin on a small quantity.

Though comparatively a child, I remember that in 1860 the axes, hoes, table cutlery, razors, dishes, and blankets in use in my home were all made in England; but under the operation of a protective tariff conditions changed, and all of them were produced in immense quantities in the United States, and I have seen them bought for one-half, and in many instances for one-fourth, their cost in that day. In 1860 a gold hunting-case watch cost $250 to $300; now it can be bought for $75. A buggy then cost $400; it can now be bought for $100. Then every little town had its hatter shop and cabinet shop, where hats and furniture were made, but these have disappeared, and articles made in them are now made by the factories and sold for less than half their price at that time.

The most forcible illustration in our history of the results of protection and free trade is found by recurring to the Civil War period.

The constitution, adopted by the Confederate Congress March 11, 1861, in section 8, provided that—

> No duties or taxes on importations from foreign nations shall be paid to promote or foster any branch of industry.

The Congress of the United States promptly enacted a protective tariff law. Under the operation of that law factories sprang up like magic on every hand. Clothing, blankets, the necessary means for transportation, canteens, knapsacks, and all the munitions of war were quickly furnished for the Union soldiers and good money provided to support the Government and successfully carry on the war. On the other hand, but few factories were erected in the South, and money was made in some instances from portable presses throughout the country, which of course proved worthless. The people who formerly carried their money in their pocketbooks and their marketing in their baskets were forced to adopt the opposite rule and carry their money in their baskets and their marketing in their pocketbooks. [Laughter.] The Confederate soldiers were poorly fed and clothed, and want prevailed throughout the Confederacy.

The farmer need not be told that if the American workingman's wages are cut in half he will have only one-half of his purchasing power and can purchase but one-half as much produce as before unless the price be correspondingly reduced. He need not be told that the same agency that reduces the purchasing power of his customer must necessarily produce a corresponding loss to him in the price of his commodity.

The American workingman now receives from one and a half to twice as much wages as the workingman in the most favored countries abroad and many times as much as is paid the workingman in India, Japan, and China. Our wage earners are not only the best fed and best clothed, but are the most independent and self-reliant in the world.

During this era of protection our railroads have increased their mileage many thousands of miles, and the oceans been connected by bars of steel, resulting in immense reduction in the price of transportation. Telegraph and telephone lines have been constructed to all portions of the country and cables laid beneath the rolling waters of the mighty deep.

The great West and Northwest have developed into fruitful fields and populous cities and are now disputing with other sections for national supremacy. The South has marvelously advanced, and we lead the world in wealth, invention, and all that is required to make a nation great.

Under protection manufactories have multiplied with marvelous rapidity, and the increase of farms and farm values almost defy computation. We have become not only the largest export Nation, but the workshop and granary of the world.

Under protective tariffs we have sold abroad more than we have purchased—eight thousand eight hundred and sixty-five millions of dollars more than we have purchased. As already stated, commencing with the passage of the Dingley bill alone, our exports have exceeded imports eight thousand four hundred and ninety-eight millions, all our balance of imports prior to 1897 aggregating only something over three hundred and eighty-three millions of dollars. And notwithstanding this remarkable prosperity our opponents are not satisfied, but will entirely revolutionize the policy under which it was accomplished.

Immense as has been our foreign trade, it can not be compared to our internal commerce, which is twelve times as great. To obtain access to this the foreigner is bending every energy. This home market is the outgrowth of protective policy. It is the sale and interchange of commodities among the States. It is the interchange between farm and factory among our own people. Day and night it is in progress. We see it in great steamers on lakes and rivers and along the coasts; we see it in the tens of thousands of cars heavily laden coursing over bars of steel; we hear it at all hours of the day and night—it is indeed a constantly moving and shifting panorama of commercial activity. Through its operation our currency is constantly circulating, performing its functions a countless number of times, always, however, remaining in this country.

The nations of the world for many years have been and are now clamoring to enter and enjoy this home market upon terms of equality with us, and nothing has prevented save protection of American industries.

This fair industrial fabric of internal commerce, the monument of our Nation's greatness, is the wonder and the envy of the world. It is preserved for those who pay taxes to sustain the Government and who are ready, willing, and at all times liable to be called to risk their lives for the flag rather than open to those abroad who contribute nothing to sustain our Government and who, in case of war, instead of being willing or called to defend our national honor, may be drawn up in battle against us.

It is truly the foundation of our national prosperity. It has been erected by the farm laborer as he drives his team afield or revels in the harvest of golden grain; by the miner as, shut out from the light of day, he delves into the bowels of the earth and brings up its hidden riches; by the workman in the factory, surrounded by the whir of countless spindles, the music of revolving wheels, the throbbing pulsations of mighty machinery, and the whistle of countless locomotives—all under the sheltering wings of protection.

We can not, we dare not, we will not sit idly by while preparation for the work of demolition and destruction proceeds. We will not join in the invitation to the world to come here and enjoy its benefits, to tear it down and feast upon its scattered fragments. I know our protest will be vain; that it will fall on ears that hear not and hearts that feel not. Nevertheless, we shall have the consciousness of duty well performed.

You will overwhelm us now, but I advise you to make hay while the sun shines, for soon darkness shall enshroud you! Go on, and gather the flowers that bloom by the wayside, for soon they shall wither and you will gather only thorns. Go on, Senators, go on in your worse than mad career, but remem-

ber as you "walk blindfold on, behind you stalks the headsman." While you are receiving the plaudits of the Old World, Canada, Australia, Mexico, and South America, while you will extort crocodile tears of gratitude from the people of foreign lands, the tremendous majority registered last year in favor of the protection taught by Washington, Hamilton, Madison, Clay, Lincoln, Harrison, and McKinley, in the presence of national disaster will forget past dissension, and augmented largely by those who were deceived by you last year, will gather in every hamlet and city, on every hilltop and in every valley, and with a power resistless as the fury of the storm, will rush over your prostrate forms, sweeping you from power, so that the places that know you now will know you no more forever.

The Republican Party is coming back. The injury inflicted on the country will furnish a platform upon which all will safely and gladly stand.

And when it returns it shall bear healing upon its wings; it shall rebuild all that has been destroyed; it shall lift up and breathe new life into our failing industries; it shall return to the farmers the prosperity they now enjoy; it shall again rescue the Nation from danger and disaster; and move onward and upward in the great highway of American advancement and prosperity.

Mr. SIMMONS. Mr. President, I ask that we proceed with the reading of the bill.

The reading of the bill was resumed, beginning with paragraph 348, page 107.

The next amendment of the Committee on Finance was, in paragraph 351, page 109, line 3, after the words "ad valorem," to strike out "crude artificial abrasives, 10 per cent ad valorem," so as to make the paragraph read:

351. Emery grains and emery, manufactured, ground, pulverized, or refined, 1 cent per pound; emery wheels, emery files, emery paper, and manufactures of which emery or corundum is the component material of chief value, 20 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 109, to strike out paragraph 353, in the following words:

353. Fulminates, fulminating powders, and other like articles not specially provided for in this section, 5 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 109, to strike out paragraph 354, in the following words:

354. Gunpowder, and all explosive substances used for mining, blasting, artillery, or sporting purposes, when valued at 20 cents or less per pound, one-half cent per pound; valued above 20 cents per pound, 1 cent per pound.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read paragraph 355, on page 109.

Mr. SMOOT. I ask that that paragraph may be passed over.

The PRESIDING OFFICER (Mr. LEWIS in the chair). There being no objection, the paragraph will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 356, page 110, line 2, after the word "caps," to strike out "75 cents" and insert "$1," so as to make the paragraph read:

356. Percussion caps, cartridges, and cartridge shells empty, 15 per cent ad valorem; blasting caps, $1 per thousand; mining, blasting, or safety fuses of all kinds, 15 per cent ad valorem.

The amendment was agreed to.

The Secretary proceeded to read paragraph 357, on page 110.

Mr. HUGHES. Mr. President, my recollection is that it was agreed that this paragraph should be passed over. I understand there are several Senators interested in it who are absent, so I think, perhaps, it had better be passed over.

Mr. SMOOT. Mr. President, I was going to say that if the Senator had not requested that the paragraph go over I should have done so, or else have called for a quorum, because I know there are Senators who are especially interested in the paragraph.

Mr. HUGHES. That is my understanding, and I think in fairness to those Senators the paragraph should be passed over.

Mr. SMITH of Georgia. Mr. President, I am perfectly willing to have the paragraph passed over for the present, although I think an incorrect view of just what it undertakes to do has been scattered throughout the country. I have received letters from enthusiastic friends of birds who were under the impression that this paragraph was to be of some great service to our own birds, while in point of fact it has no application to the protection of birds in the United States, the killing of birds in the United States, or the use of the feathers of birds which live in the United States in connection with the ornamentation of hats. It applies exclusively to the birds of foreign countries, and undertakes in some way to help protect the birds of foreign countries by forbidding the introduction into this country of their feathers.

While I believe every member of the committee is a most earnest friend of our own birds, and some of the members have made records in helping pass legislation for the protection of birds here at home, in acting upon the paragraph the subcommittee doubted whether the exclusion of the feathers of foreign birds would protect birds in the United States, but, on the contrary, it might increase the desire to kill them for use here.

Mr. LODGE. Mr. President——

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

Mr. SMITH of Georgia. Certainly.

Mr. LODGE. On the question of these being merely foreign birds, I understand exactly the reverse is the case. I understand these feathers are very largely taken from American birds, carried to Europe, and there prepared for the millinery trade. This is the only way we have of protecting our own birds.

Mr. SMITH of Georgia. If the Senator will investigate the question I think he will find that is an inaccurate statement.

Mr. LODGE. I have investigated it with some care, and I am satisfied that it is just what happens.

Mr. SMITH of Georgia. The large majority of the feathers that are imported are those of foreign birds. If they are the feathers of our own birds they will be put in shape here, anyhow.

Mr. LODGE. If the Senator will allow me, what the committee has retained in the paragraph, the egrets, come almost exclusively from Florida. On the basis of the Senator's argument there is no sense in putting egrets in here.

Mr. SMITH of Georgia. I really do not think there is. I really do not think any of it ought to be in a bill of this sort.

Mr. LODGE. The egrets come from Florida, and they are taken over to Europe, and there they are prepared.

Mr. SMITH of Georgia. But they do not come exclusively from Florida. They are found in other places and to a large extent in other places. If they do come in large part from Florida it would justify the provision retained. The Senator was not here at the time I began what I was going to say. I do not wish to discuss the paragraph at this time.

Mr. LODGE. Oh, I did not know that.

Mr. SMITH of Georgia. We intend to pass over it. I only desired to make a very brief statement to let it be known that in striking out the House provision the committee were in no sense hostile to the protection of birds. I believe every member of the committee is a warm advocate of protecting birds; but it did seem a little irrational to exclude the feathers of foreign birds from this country. We could not see why that would prevent the foreign birds from being killed and the feathers used somewhere. We did feel that their exclusion, instead of helping birds in the United States, might increase the effort to kill birds here to procure their feathers, as the feather supply would be confined to domestic birds. Furthermore, there is a revenue approaching $2,000,000 in connection with the duty upon the importation of these feathers; and it was for these reasons that the subcommittee was disposed to strike out this provision.

Mr. LODGE. The paragraph is going to be passed over, I understand.

Mr. McLEAN. Mr. President——

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

Mr. SMITH of Georgia. I do.

Mr. McLEAN. I think the Senator from Georgia realizes the revenue is derived largely from ostrich plumes, and they constitute a very large percentage of the importations.

Mr. SMITH of Georgia. Yes; I believe that is true.

Just one word more. I think some of the persons interested in this matter have been extreme both in their expressions and in their feelings upon the subject. Their conduct and speech has almost amounted to idealizing a bird the farther off the bird might be. For myself I can not understand why a bird in the wilds of a foreign country is any more to be idealized than the beautiful birds around the farm home.

I take my full part of the responsibility for the action of the subcommittee. I feel called upon to say this because I agreed to do so at the meeting of the subcommittee, when adverse action was had.

I think I have received more letters upon the subject, and, perhaps, more unpleasant letters, than upon any branch of the entire legislation, and I wish to accept my part of the responsibility for believing that what was proposed to us is impracticable and unnecessary legislation. With this brief statement I agree that it shall be passed over.

Mr. SIMMONS obtained the floor.

Mr. BRANDEGEE. Mr. President——

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

Mr. SIMMONS. Probably after I make a statement the Senator will not want the floor.

Mr. BRANDEGEE. I do not wish to debate the question. I desired to ask a question of the Senator from Georgia on this matter.

Mr. SIMMONS. Very well.

Mr. BRANDEGEE. I do not wish to interfere with the Senator from North Carolina, however.

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut for the question.

Mr. BRANDEGEE. The Senator from Georgia states that he believes in protecting the domestic birds, but expresses some doubt about the efficacy of the House provision to protect domestic birds in the heart of forests in other countries. What I wanted to ask the Senator is this: Does not the Senator concede that domestic birds in large numbers and in many varieties go into the forests of other countries during the winter and they can be killed there and their plumage sent back to this country—to the destruction of our domestic birds?

Mr. SMITH of Georgia. To some extent that is true; but I believe the way to accomplish that is to proceed rather by international agreement than to undertake arbitrarily a complete exclusion of such feathers from importation.

Mr. McLEAN. Mr. President——

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

Mr. SMITH of Georgia. Yes. It was not my purpose to provoke a discussion at this time. So much has been said against this measure, I only wished to go far enough to let it be understood that the subcommittee sought to treat this question in a sane manner, with full regard to bird preservation in the United States. So far as the trade in feathers is concerned, I care little for it. I would not be moved by the interest of the men who desire to engage in the trade in feathers; but we did believe that it was unnecessary to pass such a provision.

Mr. McLEAN. Mr. President, I have no desire to go into any discussion——

Mr. SIMMONS. I hope as this matter is to go back to the committee we will not engage in a discussion of it at this time.

Mr. McLEAN. I understand. I merely want to make a statement which it seems to me may be properly made at this time.

I understand the Senator from Georgia to say that he is entirely in harmony with the general proposition of bird conservation, and it is a question of means with him and not any purpose to interfere with a reasonable effort to protect the useful birds wherever they may be found. I think it is important to call his attention, and perhaps the attention of the Senate, to the fact that the House of Commons have recently had under consideration a proviso in substance the same as the proviso which was adopted by the House. It is my information that after a long hearing, in which the plumage trade was represented and fully heard, the committee decided to report a bill prohibiting the importation of plumage, and that bill has been introduced in the House of Commons as a Government measure.

This Government having requested the President to negotiate conventions with foreign nations for the purpose of protecting the useful birds of the world, it seems to me that it becomes very important that the United States at this time should not right about face and by an act of Congress legalize this trade, but should set an example which will carry conviction when it invites foreign nations to act in harmony with the position which we have taken.

That is all I care to say now. I think that the Senator from Georgia realizes that the only way in which we can ultimately secure the end in view is to prohibit the trade. As long as you permit the trade in feathers the profit is so tremendous the birds will be killed. That is the result of experience, and no other result can be expected.

I want to say to the Senator from North Carolina [Mr. SIMMONS] that I understood, when the matter was up the other day, that it was agreed that this proviso should be returned to the committee.

Mr. SMITH of Georgia. It is to be recommitted, and we have so stated. I only rose for the purpose of expressing a few reasons that influenced me in writing this substitute and urging it and to entirely disclaim any purpose in doing so of being antagonistic to the birds' protection, because I have been quite active in protecting them in my own State. I believe in protecting them. I believe in protecting them all over our own country where we have the power to protect them, not simply as a matter of sentiment, but because they are both a source of great pleasure and service to mankind. I considered the advocates of this measure much like the man with a beam in his own eye who went off and hunted for the mote in somebody else's; that instead of doing the work in our own country and protecting our own birds it was going off to somebody else's country to protect theirs. While I voted with a great deal of pleasure for the resolution seeking international cooperation for bird protection—and I would be glad to see an international agreement to stop the trade and protect birds everywhere—it seemed to me it was rather straining at the subject to put through this provision in the shape it was. The only reason why I rose was to let some expression of the reason that influenced us go into the RECORD and not to argue the question.

Mr. McLEAN. I sincerely hope that the Senator from Georgia will find it impossible to agree with the unanimous opinion of the Democratic Party in the House of Representatives that this particular trade is an illegitimate trade. I hope he will not single out this trade as the only one which should receive protection in this bill.

The PRESIDING OFFICER. May the Chair ask the Senator from North Carolina what is the motion he makes for the disposition of this particular paragraph?

Mr. SIMMONS. If the Chair will permit me for just a minute——

Mr. SMITH of Georgia. It has been passed over.

The PRESIDING OFFICER. The Senator from North Carolina will proceed.

Mr. SIMMONS. The only controversy about this paragraph is with reference to the proviso beginning in line 21. There are a number of committee amendments outside of that proviso, and if there is no objection I would like to have those amendments offered by the committee agreed to or disagreed to, as the case may be.

Mr. BRANDEGEE. Mr. President——

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

Mr. BRANDEGEE. The Senator is still talking about paragraph 357.

Mr. SIMMONS. Yes.

Mr. BRANDEGEE. My understanding was that the entire paragraph had been recommitted to the committee.

Mr. SIMMONS. I was going to ask that the proviso be recommitted and that before the proviso is recommitted we might act on the amendments, in view of the fact that the only controversy is as to the proviso.

Mr. BRANDEGEE. I do not care what course is taken, except I thought——

Mr. SIMMONS. I withdraw the suggestion if there is to be any discussion.

Mr. BRANDEGEE. I am not objecting. I am stating that my impression is that when we reached it before it was recommitted to the committee, whereupon the Senator from Missouri——

Mr. SIMMONS. I have withdrawn my suggestion.

Mr. BRANDEGEE. I desire to finish the sentence——

The PRESIDING OFFICER. The Senator from Connecticut will proceed.

Mr. BRANDEGEE. Whereupon the Senator from Missouri said it would have to go to caucus if recommitted to the committee, and the Senator from North Carolina assented. If it is before the Senate, I have no objection to agreeing to such parts of it as may not be objected to. If it is withdrawn from the Senate, I do not see how we can agree to it without reconsidering the action we took the other day.

Mr. SIMMONS. There was no action taken the other day, as I understand. It was under discussion, and the statement was made by myself and the Senator from New York [Mr. O'GORMAN] that when it was reached we would ask that it go back to the committee, and that is what we are doing now, so far as that part of the paragraph is concerned about which there is a controversy.

Mr. BRANDEGEE. But the question——

Mr. SIMMONS. I withdrew the suggestion, Mr. President——

Mr. BRANDEGEE. The question is a matter of record. If the clerks' records show that the paragraph was not recommitted, I have no objection.

Mr. SMITH of Georgia. There is not any doubt about the Senator from Connecticut being wrong. The Senator's colleague made a speech before the paragraph was reached, and this is the first time that it has been reached in reading the bill.

Mr. HUGHES. The paragraph was never before the Senate for action until this morning.

Mr. BRANDEGEE. The RECORD will show the situation. I simply made what is practically a parliamentary inquiry.

Mr. SIMMONS. The motion is withdrawn.

The PRESIDING OFFICER. The Chair will ask the Senator from Georgia what is the question, then, before the Senate regarding the disposition of the paragraph? What is the disposition desired?

Mr. HUGHES. I ask unanimous consent——

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Massachusetts?

Mr. HUGHES. Certainly.

Mr. LODGE. I wish merely to ask a question, as I was not here when these paragraphs were first taken up, having been out for a moment. We are now on paragraph 357, I understand.

Mr. HUGHES. And I was about to make a motion in reference to that paragraph; at least, I was about to ask unanimous consent that the paragraph be recommitted to the committee.

Mr. LODGE. I, of course, have no objection. I wanted to make an inquiry about paragraph 355.

Mr. SMOOT. I asked that it go over, and it went over.

Mr. LODGE. It is all right, if paragraph 355 has gone over, because there ought to be an amendment made to that paragraph to which I have drawn the attention of the chairman of the committee.

Mr. SIMMONS. I wish to say to the Senator from Massachusetts that I will see that the amendment he has called to my attention is brought to the attention of the committee. I think, Mr. President—I am stating my own opinion about it—there will be no trouble about agreeing to the amendment offered by the Senator from Massachusetts. I think it is a very proper amendment.

The PRESIDING OFFICER. The Senator from New Jersey may now recur to the motion in which he was interrupted.

Mr. HUGHES. I ask unanimous consent that paragraph 357 be recommitted to the committee.

The PRESIDING OFFICER. The Senator from New Jersey asks unanimous consent that paragraph 357 be recommitted to the committee. Without objection, such is the order.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire hold the floor for any further purpose regarding paragraph 357?

Mr. GALLINGER. I propose to hold the floor but a moment. I simply desire to express my approval of the action taken by the Senator from New Jersey in making this request. I will further express the hope that the committee will give this matter, as I am sure the committee will, the most careful and diligent consideration. It is a very important matter, and there will be a great deal of debate upon it unless some arrangement can be reached whereby we will substantially agree upon it.

The next amendment of the committee was, in paragraph 358, page 111, line 3, to strike out "Furs and fur skins of all kinds not dressed in any manner, except undressed skins of hares, rabbits, dogs, and goats, sheep, and not specially provided for in this section, 10 per cent ad valorem; furs," and insert "Furs"; and in line 7, before the words "per cent," to strike out "30" and insert "20," so as to read:

Furs dressed on the skin, not advanced further than dyeing, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 358, page 111, line 8, after the words "ad valorem," to insert "plates and mats of dog and goat skins, 10 per cent ad valorem."

The amendment was agreed to.

The next amendment was, in paragraph 358, page 111, line 12, after the word "crosses," to insert "except plates and mats of dog and goat skins," and in line 14, before the words "per cent," to strike out "40" and insert "35," so as to read:

Manufactures of furs, further advanced than dressing and dyeing, when prepared for use as material, joined or sewed together, including plates, linings, and crosses, except plates and mats of dog and goat skins, and articles manufactured from fur not specially provided for in this section, 35 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 358, page 111, line 16, after the word "which," to strike out the word "fur" and insert "hides or skins of cattle of the bovine species, or of the dog or goat"; in line 17, to strike out "is" and insert "are"; and in line 18, before the words "per cent," to strike out "50" and insert "15," so as to read:

Articles of wearing apparel of every description partly or wholly manufactured, composed of or of which hides or skins of cattle of the bovine species, or of the dog or goat are the component material of chief value, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 358, page 111, line 18, after the words "ad valorem," to insert:

Articles of wearing apparel of every description partly or wholly manufactured, composed of or of which fur is the component material of chief value, not specially provided for in this section, 45 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. I desire to call the attention of the Senator in charge of this schedule to what I consider a defect in this paragraph in that it does not provide a rate for furs which have been dressed and dyed and have also been further advanced, but not so far as to make them dutiable as manufactures of fur. I have reference to fur skins which have been dressed, dyed, and prepared, so called. There is a great deal of litigation which has taken place on account of such a provision being absent from the present law. The customs court hold such furs dutiable and classify them as nonenumerated articles. That was in the case of United States against Burkhardt.

If the Senator having this part of the bill in charge desires time to consider it, I have no objection to having the paragraph passed over, but I believe if he does give it consideration he will certainly provide for that class of skins. If not, I think there is not any question but that they will come in the future as nonenumerated articles, the same as they are doing to-day under the present law, not being specifically mentioned or provided for.

Mr. HUGHES. Does the Senator refer to the words "manufactures of furs, further advanced than dressing and dyeing, when prepared for use as material"?

Mr. SMOOT. Those are manufactures of furs. These are not manufactures; they come in between the dressing and the manufacture. For instance, furs come in here repaired, and that was the particular case I had reference to. The claim was made that they were dressed furs, as they had been repaired. The customs court held that they did not fall under dressed furs nor did they fall under the manufacture of furs, but they held in that case that they fell under the nonenumerated articles.

Mr. HUGHES. What language does the Senator suggest?

Mr. SMOOT. I have not prepared the exact wording, but if the Senator will let the paragraph go over I will frame it in a very few minutes and hand it to him.

Mr. HUGHES. I will be very glad to do so. I ask that this paragraph may go over. I wish to make a further suggestion in connection with the last two lines of the paragraph. Let the entire paragraph go over for the present.

The PRESIDING OFFICER. The Senator from New Jersey requests that the paragraph go over for the present. There being no objection, such course will be taken.

The reading of the bill was continued.

The next amendment was, in paragraph 361, page 112, line 3, after the word "raw," to strike out "uncleaned and not drawn," so as to read:

Human hair, raw, 10 per cent ad valorem.

Mr. SMOOT. I notice that in striking out the words "uncleaned and not drawn" the idea is to have human hair, raw, at 10 per cent.

Mr. HUGHES. I will say to the Senator that we had extensive hearings on this paragraph and at the hearings the examiner at the port of New York was present and explained at great length the technical side of this business.

Mr. SMOOT. What I was going to say to the Senator is that hair not drawn under the bill is made to depend upon a commercial designation.

Mr. HUGHES. Yes. I will explain the situation. The hair is sometimes cut from the head, in which case nothing further is done with it as raw hair, but if the hair is picked up from the floor, from sweepings, it is necessary to treat it in order that it may be conveniently handled, but it is not drawn in the commercial sense. When hair is commercially drawn the process is something like this: They drop it in a tub of water for a certain length of time and allow all the roots of the hair to come to the top, so it may be uniform at the base. The hair is then taken out and it is drawn. Sometimes raw hair as the first product is laid in more or less uniform lengths in order to make it convenient to handle in shipment. It has been heretofore classed as drawn hair, whereas as a matter of fact it was otherwise. It was raw hair that had to be afterwards drawn.

Mr. SMOOT. The Senator's understanding is exactly the same as mine in that particular. All I wanted to know was whether it was the intention to have hair drawn to depend upon the commercial designation as it is known to-day.

Mr. HUGHES. That was our intention.

The amendment was agreed to.

The next amendment was, in paragraph 361, page 112, line 5, before the word "drawn," to insert "commercially known as,"

and, after the word "drawn," to strike out the words "wholly or in part," so as to read:

If cleaned or commercially known as drawn, but not manufactured, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 361, page 112, line 6, after the word "hair," to insert "including nets and nettings," so as to read:

Manufactures of human hair, including nets and nettings, or of which human hair is the component material of chief value, not specially provided for in this section, 35 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, in paragraph 364, page 112, line 19, before the words "per cent," to strike out "40," and insert "45," so as to make the paragraph read:

364. Hats, bonnets, or hoods, for men's, women's, boys', or children's wear, trimmed or untrimmed, including bodies, hoods, plateaux, forms or shapes, for hats or bonnets, composed wholly or in chief value of fur of the rabbit, beaver, or other animals, 45 per cent ad valorem.

Mr. BRANDEGEE. I move to amend the committee amendment by striking out "45," before the words "per cent," in line 19, and substituting in lieu thereof the numeral "50," so that it will read "50 per cent ad valorem."

Mr. President, this hat industry is one of great importance in several States of the Union, and especially in the State of Connecticut. There are many factories manufacturing fur-felt hats in the cities of Danbury, Bethel, Norwalk, and other cities and towns in my State.

This subject has been before Congress several times. Extensive hearings were held upon this paragraph, I remember, at the time the Payne-Aldrich bill was passed. This industry is not in any sort of a trust or combination. It is not an industry that makes any great amount of money.

I wish to call the attention of the Senate to the statement made by Mr. James Marshall, of Fall River, Mass., before the Committee on Finance on this paragraph. He states:

I represent manufacturers who are not going to run away from this thing. The very last thing on earth we will think of doing is going down with this or shutting down factories. We are going to make a fight as hard as we know how. We are at the present time running short time. We will continue to run short time. It is the only item, I think, of the whole 4,000 that shows a constant advance of importations in the last 10 years; I mean by that, year after year a steadily increasing advance.

When I was before the committee four years ago there were only 20,000—

He means 20,000 dozen—

this year there were 55,000 came in. That does not look like much, but we figure it about 5 per cent. If that doubles in the next three years, as it has in the last three, it will be 10 per cent duty. If you cut that some more, as they have done, it is only just a question of time until they have the home market. We depend on the home market; we can not export. The people in the open-door countries, like China, India, and Africa, wear fezes or turbans or something of that kind, as a part of their religious beliefs. The other countries have prohibitive tariffs, with the exception of England. All of our material originates abroad. There is not a solitary thing we use but what originates over there, and we get it with that $1.84 against us in material alone before we start to manufacture, as against the foreigner. We can not help it. He has his first choice, and we have to pay a certain amount of revenue.

Senator SIMMONS asked him the following question:

Have you specified the foreigner who causes you the most trouble in competition?

Mr. MARSHALL. I have not specified him in my brief, because I wanted to be fair about it. I took Great Britain, where they have union labor, and the union does as they have in this country, where they agree on prices each year over there as they do here. About the 1st of May they agree on a schedule of prices. The hat that causes us the most trouble comes from Austria and Italy. But I did not specify them. I also obtained in Great Britain their schedule of prices that is printed, that is agreed upon between the masters and the men, and so there is no question as to my figures in that respect. It states throughout there that all minimum bills or prices shall be based on 32 to 36 shillings a week for 36 hours, or $8 to $9 a week. From time immemorial it has always been piecework prices in the hat business—so much a dozen. The English price all through this little book is so much a dozen. The American union specifies there shall be $22 a week for 50 hours. Just those two items show a difference between the two hats I exhibited. If you go back to Austria and Italy you will have a still greater difference. But it was not necessary. The case was amply proved without doing that, being absolutely fair.

Fortunately for us, the whole thing was divided into brackets—

He is speaking of the House bill—

and one of the reasons they gave for not giving us more duty was that some of those brackets were omitted. For instance, there were only a few $4.50 hats came in. As a matter of fact, there were no fur-felt derbies at $4.50—

He means per dozen, of course—

They showed under that bracket 68 per cent. Hats ranging in value from $4.50 to $9 showed 58 per cent. Hats ranging in value from $9 to $18 a dozen showed 50 per cent. Then hats ranging from $18 upward a dozen showed 48 per cent. We wanted to be fair; we wanted the Democratic Party, we wanted ourselves, to be on record as saying that the hats that were a necessity of life could be reduced. We were perfectly willing to have a reduction on every one of those brackets, on the hats at $18 and above, because for that hat, when it is landed here, the average price under that clause was $25 a dozen.

I have skipped some of the Senator's questions in order to consolidate this into Mr. Marshall's testimony. He proceeds:

Fifty per cent would have been perfectly fair—

That, by the way, Mr. President, is the amount that I have proposed to substitute for that named in the committee amendment—

that is, reducing it from 68 and 58 down to 50 would have been fair. But we also ask 50 on the other.

He states in another place:

It is the old story of running in multiples of 50, $1, $1.50, $2, $2.50, and if you reduce to the retailer 10 cents a hat, you are never going to get him to drop. That is all that happens, and the result would be the in-between man, the retailer or the jobber, will simply absorb that, and nobody gets anything.

Mr. President, I read from the brief filed before the Committee on Finance, as follows:

Under these circumstances, and particularly as the industry has been crying for work for the past two or three years, and the importations have been doubling in the meantime, we desire to know why we deserve a cut under Democratic platform and Democratic promises.

Importations of fur-felt hats for fiscal years ending—

1905	dozen	8,143
1906	do	14,536
1907	do	19,194
1908	do	21,892
1909	do	32,714
1910	do	42,940
1911	do	46,009
1912	do	55,311

First quarter of 1913 shows 24,065 dozen; at this rate the fiscal year will show 96,000 dozen.

Doubling every four years does not require much of a mathematician to figure where American manufacturers are coming out.

From 1909 on is the present tariff.

Almost 600 per cent increase in 10 years.

In the importations, he means.

At the time of the Payne-Aldrich bill, in order that there might be no question concerning the actual cost of labor at home and abroad, we sent abroad at great expense the very best expert we could find, having with him letters of introduction from the then Secretary of State, the Hon. ELIHU ROOT, to the various United States consuls, and his orders were, having ascertained exact condition and prices in each hatting district, to then go to the nearest United States consul and have them verified, so there would not be the slightest question about them.

This he did, visiting the consul in Manchester, in Paris, in Milan, and we present to you the following comparison of the average popular-priced hat, the one selling at retail for $2.

These prices have not varied greatly in the last four years, and we have brought them right down to date.

Mr. President, I ask leave to insert, without reading, the tables, which I shall hand to the Reporter, marked.

The PRESIDING OFFICER. There being no objection, the request is granted.

The tables referred to are as follows:

	Foreign hat made in England and delivered in the United States, duty, etc., paid, at $14.40 a dozen net.	American hat sold at $16.50 per dozen, less trade discount of 10 per cent, or $14.85 per dozen net.
Material:		
Fur	$1.71	$1.98
Leather	.52	.80
Band and binding	.53	1.07
Satin	.50	1.10
Shellac	.37	.40
Alcohol	.18	.18
Dyestuff	.07	.09
Chemicals	.03	.04
Wire	.06	.06
Boxes and cases	.50	.70
Miscellaneous	.12	.22
	4.59	6.64
Labor	2.74	7.23
Overhead charges	.40	.61
Factory cost	7.73	14.48

SUMMARY OF THE CHANGES THAT THE NEW HOUSE BILL MAKES FOR AND AGAINST US.

Changes against us: This grade of hat received 58 per cent ad valorem. The new bill allows 40 per cent. This, therefore, reduces us 18 per cent on $9 per dozen, or a total of $1.62.

Changes in our favor: They have reduced the item of fur 5 per cent, making a difference of 9 cents per dozen.

Reduced the item of band and binding 10 per cent, making a difference of 5 cents per dozen.

Reduced the item of satin 10 per cent, making a difference of 5 cents per dozen.

All the other items remain the same, so it makes a total in our favor of 19 cents.

SCHEDULE N—PARAGRAPH 364

Hats, bonnets, or hoods, for men's, women's, boys', or children's wear, trimmed or untrimmed, including bodies, hoods, plateaux, forms or shapes for hats or bonnets composed wholly or in chief value of fur of the rabbit, beaver, or other animals.

	Quantity.	Value.	Duties.	Foreign value per dozen.	Duty reduced to actual ad valorem.
$1 to $4.50; rate of duty, $1.50 per dozen and 20 per cent:	*Dozen.*				*Per cent.*
1910	0.149	$0.493	$0.324	$3.34	65
1911	.020	.063	.044	3.15	68
1912	.529	1.865	1.167	3.52	63
$4.50 to $9; rate of duty, $3 and 20 per cent:					
1910	17.616	143.732	82.495	8.02	57
1911	15.308	120.696	70.064	7.88	58
1912	15.218	119.927	69.640	7.88	58
$9 to $18; rate of duty, $5 and 20 per cent:					
1910	13.043	176.698	105.055	12.67	59
1911	15.410	215.098	120.671	13.96	56
1912	22.942	339.542	182.629	14.80	56
$18 and up; rate of duty, $7 and 20 per cent:					
1910	8.646	221.898	104.901	25.66	47
1911	10.261	258.040	123.438	25.15	48
1912	16.619	413.881	199.114	24.90	48

You will note that the first two brackets, the foreign value of which is from $3 to $8 per dozen, could be called necessities of life.

The last two paragraphs, the foreign value of which is from $12 to $25, with the duty added—these could not be sold at retail at less than $3 to $6 per hat, and are a luxury, not a necessity.

Mr. BRANDEGEE. The brief continues:

Particular attention is called to the second bracket, from $4.50 to $9, showing that at an ad valorem of 57 per cent to 58 per cent the importations still come in, in practically the same volume, year after year, showing that this is exactly where the balance between ourselves and the foreigners comes in, and where we would have an equal chance to compete.

Particularly note that when the ad valorem goes under 55 per cent the volume increases very rapidly.

Now, what we claim is, by reducing all of it to 55 per cent would be cutting down the tariff on articles of necessity, retaining it on articles of luxury, and giving us an opportunity to compete on the better grades.

Therefore, we feel that 55 per cent is the very least that could be given us under a scientific revision.

Mr. President, as I have said, these hat factories employ many thousands of laborers in my State. The testimony here is that they are not paid large rates of wages, but they are paid much more than are the people with whom they are competing in other countries; they are paid all that the industry can afford to pay them under the present circumstances.

It is going to be a great calamity for all those people and to the capital invested in those industries to handicap them further. From what I know personally of the situation there and from what has been placed before the committee here, it seems to me to be apparent that this industry is merely struggling along. I do not think any useful purpose will be served in this country by giving them another push, thus submerging them and putting them out of business. They testify that even now, under the present rate of duty, they are only running on part time.

They do not make anything that could be regarded as a threat in attempting to influence this legislation by saying that they are going to shut down their factories. On the contrary, they say that they will make the best fight they can to struggle along and try to keep going. Of course, they will have to go on even shorter time, as they say, than they now do. I do not see what good is to come from closing up these industries and placing us entirely in the hands of the foreigners who are now producing these articles. Of course, the minute the foreigners get the market we shall be absolutely subject to them and their demands, and it takes more credulity than I am possessed of to believe that they will not immediately raise the prices of these articles, so that the consumer in this country, instead of having a domestic competitor competing with the foreigner, will be absolutely at the mercy of the foreign producer. I do not think that would be wise or good policy. Therefore I have offered the amendment which I have sent to the desk, and which I hope will receive some consideration at the hands of the Senate.

Mr. HUGHES. Mr. President, I can not imagine the Senator from Connecticut is serious in reference to this amendment. I feel sure that if he has given this subject the investigation that it is entitled to he must know that the rate in the pending bill is perfectly satisfactory to the hat manufacturers.

I agree with a great deal of what the Senator has said. This is one industry—one of the very few industries—in this country in which the protection, whatever it may be, is handed down to the operatives. That is largely brought about by the fact that the operatives do not compete to any extent one with the other; the rate of wages is fixed; and, so far as industrial conditions are concerned, the hat operatives are as well off as any body of operatives in the United States.

It is true that whims and caprices of fashion affect this trade and cause violent fluctuations in its condition, and the habit, which is growing up in this country, as it has already overspread England, of wearing cloth caps has brought the manufacturers and operatives engaged in the manufacture of fur-felt hats upon hard times. That is not due, as the Senator must know, of course, to importations, because I remember making a calculation in 1912, as I recollect it; I turned the dozens into units and found that there were only 600,000 hats of this kind in all imported into the United States; and they could be easily accounted for by the number of men who insist upon wearing imported hats regardless of what the tariff duty may be.

I was in favor of leaving this duty fairly high for the reason, as I have said, that if there is any protection in it it is handed down—in my judgment there is not any protection in it—and for the reason that the manufacturers themselves are competing most keenly one with the other, the rate of wages is fixed, and the price of most of the material is the same to one as it is to another. So it comes down to the question of the ability to turn out a good article.

A 45 per cent duty upon the hats that do come in and will come in is, in my opinion, not too much. I am satisfied, and I believe that those who are interested in the business are satisfied, that this rate of duty will do nothing to interfere with the success and the prosperity of the manufacturers of fur-felt hats in this country.

Before I close, I will say that half the hats which were imported last year came in at a duty of 48 per cent, while the average duty was 51 per cent. I assure the Senator from Connecticut that there is nothing in this rate that will disturb anybody who is interested in this industry.

Mr. LODGE. Mr. President, I merely desire to say that the argument of the Senator from Connecticut [Mr. BRANDEGEE] has covered the question raised as to this paragraph so thoroughly that I have no desire to attempt to duplicate it. One of the largest factories producing this class of goods is in my State, at Fall River. All that the Senator from Connecticut and the Senator from New Jersey [Mr. HUGHES] have said in regard to the industry is absolutely accurate as to its condition. There is very severe domestic competition; the importation of foreign hats is increasing; and the development of the cloth hat makes the struggle for the business more severe than ever. I was informed by an officer of the Hatters' Union when he was here representing the hatters throughout the country, that the men employed in the industry within the last year had not been making, on an average, over $7 a week, owing to short time and the shutdowns which had come from the depressed condition of the business. Under those circumstances I think a reduction of duty on this particular industry is extremely likely to bring more hardship; and I wish that the rate of duty could be raised. I do not suppose that is possible, but I think it should be raised.

Mr. PENROSE. Mr. President, I desire to simply concur in what the Senator from Massachusetts [Mr. LODGE] and the Senator from Connecticut [Mr. BRANDEGEE] have stated. This industry is very generally carried on all over the eastern part of the United States. Numbers of these hatters are located in eastern Pennsylvania. They are a very thrifty, deserving class of people. They are small industries, and there is no suggestion of any combination or trust among them. There is absolute competition among the American producers, and I do not know of any industry that is more worthy of encouragement by the American Congress than the hat industry. The representatives of the industry were down here four years ago in very great numbers, as all Senators who were then here will recall, and presented a case which appealed most strongly to the then majority of this body. As the Senator from Massachusetts has said, their industry is steadily being encroached upon by foreign-made hats of different material and different make, and I have grave apprehension if this paragraph passes, and I expect it will, that these deserving workers will suffer materially.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Connecticut [Mr. BRANDEGEE]. [Putting the question.] By the sound, the noes seem to have it.

Mr. HUGHES. I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from New Jersey asks for the yeas and nays.

Mr. HUGHES. I withdraw the request.

The PRESIDING OFFICER. The Senator from New Jersey withdraws the request. The noes have it, and the amendment is rejected. The question recurs on the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 366, page 113, line 15, before the word "pearls," to insert "imitation," so as to make the paragraph read:

366. Jewelry, commonly or commercially so known, valued above 20 cents per dozen pieces, 60 per cent ad valorem; rope, curb, cable, and fancy patterns of chain not exceeding one-half inch in diameter, width, or thickness, valued above 30 cents per yard; and articles valued above 20 cents per dozen pieces designed to be worn on apparel or carried on or about or attached to the person, such as and including buckles, card cases, chains, cigar cases, cigar cutters, cigar holders, cigarette cases, cigarette holders, coin holders, collar, cuff, and dress buttons, combs, match boxes, mesh bags and purses, millinery, military, and hair ornaments, pins, powder cases, stamp cases, vanity cases, and like articles; all the foregoing and parts thereof, finished or partly finished, composed of metal, whether or not enameled, washed, covered, or plated, including rolled gold plate, and whether or not set with precious or semiprecious stones, pearls, cameos, coral, or amber, or with imitation precious stones or imitation pearls, 60 per cent ad valorem. Stampings, galleries, mesh, and other materials of metal, whether or not set with glass or paste, finished or partly finished, separate or in strips or sheets, suitable for use in the manufacture of any of the foregoing articles in this paragraph, 50 per cent ad valorem.

The amendment was agreed to.

Mr. LODGE. Mr. President, in connection with paragraph 366 I should like to ask the Senator in charge of this schedule whether as this paragraph is worded, taking it in conjunction with paragraph 169, it will not throw a large number of the articles which this paragraph makes dutiable at 60 per cent into paragraph 169, which is the basket clause of the metal schedule, at 50 per cent?

The portion of paragraph 169 to which I refer reads as follows:

169. Articles or wares not specially provided for in this section, if composed wholly or in part of platinum, gold, or silver, and articles or wares plated with gold or silver, and whether partly or wholly manufactured, 50 per cent ad valorem.

Would it not be better to have a separate paragraph covering those articles, making it conform to paragraph 366?

Mr. HUGHES. My information is that the word "jewelry" properly differentiates those two paragraphs.

Mr. LODGE. Undoubtedly "jewelry" does; but further on in the paragraph there is mentioned a large number of articles, the paragraph providing:

All the foregoing and parts thereof, finished or partly finished, composed of metal, whether or not enameled, washed, covered, or plated, including rolled gold plate.

That is, all such articles or parts thereof which are plated are covered in paragraph 366 by a duty of 60 per cent, and yet paragraph 169 provides:

Articles or wares plated with gold or silver, and whether partly or wholly manufactured, 50 per cent ad valorem.

Mr. HUGHES. So far as any danger of conflict between these paragraphs is concerned, I think that will be controlled by the word "jewelry." Paragraph 366 begins:

Jewelry, commonly or commercially so known.

The committee considered the question which has been raised, and came to that conclusion.

Mr. LODGE. It is quite possible that the Senator is correct in his interpretation, but it seems to me that it is better to remove the ambiguity beforehand rather than to leave an opening for controversy as to whether one paragraph or the other controls. I merely desired to bring to the attention of the committee the question whether it would not be better to make a separate paragraph covering articles plated with platinum, gold, or silver instead of putting them in the basket clause of the metal schedule. Why not make them conform more accurately with paragraph 366?

Mr. HUGHES. My judgment, so far as the investigation I have made is concerned, is that it is not necessary. I shall be glad to consider any language the Senator desires to submit; but the advice I have received from those in charge of the administration of the law and who are administering the law is that the present language is clear enough, and that there will be no practical difficulty in the way of administering the law as proposed.

Mr. LODGE. That may be so. The change I have proposed would not alter the intent of the bill in the least, but would only make it clear.

Mr. HUGHES. Has the Senator suggested any change in language?

Mr. LODGE. I would simply form a new paragraph, to be known as paragraph 168½, covering articles composed wholly or in part of platinum or of gold, or else take those articles out of paragraph 169 and put them in paragraph 366.

I desire, Mr. President, in this connection to have printed in the RECORD the letter which I send to the desk.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The letter referred to is as follows:

ATTLEBORO, MASS., *March 29, 1913.*

HON. HENRY CABOT LODGE,
Senate Chamber, Washington, D. C.

DEAR SIR: We respectfully and urgently solicit your careful consideration of the proposed treatment of the duty upon jewelry and novelties in the forthcoming tariff law, and trust we may rely upon your support and cooperation in our efforts to maintain the present rates.

As is well known, these rates are 60 per cent on gold and platinum jewelry and 85 per cent on other classes of jewelry. Furthermore, one of the two briefs filed with the congressional Committee on Ways and Means petitions Congress to take out of the "catch-all" paragraph of the metal schedule the words "gold," "silver," and "platinum," and to form a new paragraph, carrying a rate of 60 per cent in the said schedule, exclusively for manufactures of gold, silver, and platinum, not specially provided for in any other paragraph of the act.

Our committee is also applying for a new draft of the jewelry paragraph, in order to avoid improper classifications.

Any change in the present absolutely necessary rates of duty on jewelry can not help but hurt the industry, not only the individual manufacturers engaged therein, but also the employees and all those directly or indirectly connected therewith. A reduction of duty on the product of our factories would result disastrously to this business, which is very largely centered in Providence, R. I., and the Attleboros, and is made up of a considerable number of individual concerns, no large corporations nor any semblance of a combination of any sort, with prosperous employees, most of them owning their own homes and earning large wages, as a result of their individual initiative and skill, which are given a peculiar opportunity for development in this particular business.

Any lowering of the present rates would mean an influx of foreign-made goods, already, indeed, much in evidence, made under conditions and at a wage that our employees would not tolerate or could not live upon.

We particularly call your attention to the condition which to-day prevails in the manufacturing jewelry centers of Germany, such as Pforzheim, Hanau, and others, as compared with 10 years ago. Within that period German manufacturers have sent their young men to the United States, who have obtained positions as workmen in our factories, thoroughly familiarized themselves with American methods and machinery, which has resulted in a complete reorganization of their home factories—better described by the word "Americanized"—which with their cheap labor to-day places the American manufacturer, particularly of gold-filled goods, in a position where it would be absolutely impossible to compete successfully in our market with the German manufacturers without the present protective duty on this class of goods.

This statement of the situation can be readily corroborated by any competent person who has visited the jewelry centers of Germany and Austria within the past decade.

Your earnest and thoughtful attention is invited to this, and we hold ourselves ready to furnish you with any specific data relative to our industry that you may be interested to obtain.

Very truly, yours,

R. F. SIMMONS CO.,
By H. E. SWEET.

Mr. WEEKS. Mr. President, I want to add merely a word to what my colleague [Mr. LODGE] has said. In the administration of the present law, owing to considerable ambiguity, many of the articles which were supposed to bear 85 per cent duty have been brought in under the 45 per cent rate. It is of vital importance to the manufacturers, the reduction having been made from 85 per cent to 60 per cent, that they in all cases obtain at least that rate of duty. In many cases 85 per cent or more than 85 per cent of the cost of jewelry covered by this paragraph is labor, and a duty of 60 per cent is little enough to give the manufacturers of this class of jewelry the protection which would enable them to continue their business. It would be a very perilous thing, from the standpoint of the manufacturers of this character of jewelry, if the appraisers should decide that any part of it should only bear a 50 per cent rate.

Mr. HUGHES. I assure the Senator that, so far as jewelry is concerned, there can be no question about it. The words "jewelry, commonly or commercially so known," are about as perfect a designation as the mind can conceive of.

Mr. WEEKS. There are a great many things which seem to me to be perfectly clear and undoubtedly would seem perfectly clear to the Senator from New Jersey and to the Senate as a whole, but when such matters are brought before the administrative officers, decisions are sometimes made which do not conform with the intent of the law. I hope the commitee will give this paragraph sufficient additional attention so that they may be sure that the class of articles covered by it will receive the 60 per cent duty which the paragraph carries.

Mr. JOHNSON. Mr. President, I will simply say to the Senator from Massachusetts that this very question was raised before our subcommittee. We had before us officers charged with the administration of the law, and this very question was discussed. I should be glad to have the paragraph go back to the committee so that we may again consider it and make it more clear; but we thought that this language was sufficiently clear and precise to describe the articles which it was intended should bear the duty of 60 per cent. In our opinion there was no confusion with paragraph 169.

Mr. WEEKS. I am not prepared to say that it is not sufficiently clear to cover the articles intended to be covered, and

yet I know that in the last three or four years there have been in dispute a great many of the articles included in the paragraph which have involved rulings of the appraisers, and it has been a great embarrassment to manufacturers. I hope this paragraph will be made clear beyond any possibility of controversy.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 367, page 113, line 24, after the word "process," to strike out "including glaziers' and engravers' diamonds not set, miners' diamonds," and on page 114, line 1, after the word "and," where it occurs the second time, to strike out "diamond dust" and insert "marine coral uncut and unmanufactured," so as to make the paragraph read:

367. Diamonds and other precious stones, rough or uncut, and not advanced in condition or value from their natural state by cleaving, splitting, cutting, or other process, whether in their natural form or broken, and bort; any of the foregoing not set, and marine coral uncut and unmanufactured, 10 per cent ad valorem; pearls and parts thereof, drilled or undrilled, but not set or strung; diamonds, coral, rubies, cameos, and other precious stones and semiprecious stones, cut but not set, and suitable for use in the manufacture of jewelry, 20 per cent ad valorem; imitation precious stones, including pearls and parts thereof, for use in the manufacture of jewelry, doublets, artificial, or so-called synthetic or reconstructed pearls and parts thereof, rubies, or other precious stones, 20 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. Mr. President, the history of tariff rates upon diamonds, if repeated after the passage of this bill, will show a great decrease of revenue from cut diamonds. In a very few words I wish to call the attention of the Senate to some of the experiences in the past in trying to collect a duty of 20 or 25 per cent upon diamonds.

As far as I am personally concerned, I would not care if the rate were 100 per cent if it could be collected. But diamonds can be smuggled into this country very easily indeed, and if the rate exceeds 10 per cent the history of diamonds shows that they are smuggled into this country, and the Government is defrauded annually of many millions of dollars of revenue.

In 1891 the imports of diamonds were $12,380,000, and the duty collected on them was $1,238,000, or at the rate of 10 per cent ad valorem. In 1892 the imports of diamonds were $12,131,000, and the duty collected was $1,226,100, at the rate of 10 per cent ad valorem. In 1896, after the passage of the Wilson bill, with a rate on diamonds of 25 per cent, the importations fell to $3,351,000, with a duty collected of $750,000. In 1897 there were but $1,378,000 of diamonds imported upon which duties were collected, and the revenues had fallen to $285.000.

Mark you that in 1891 the imports were $12,380,000, and at a 10 per cent ad valorem rate there was collected revenue amounting to $1,238,000. I have no doubt in my mind that if we impose a rate of duty of 20 per cent upon diamonds smuggling will immediately begin, and the honest merchant of this country who will not indulge in smuggling will be compelled to purchase his diamonds from the smuggler rather than from the foreign merchant. If that is not the case, then 20 per cent duty on cut diamonds is not enough. If the rate has no relation to the amount of importations into this country, and does not affect at all the question of smuggling, it seems to me the very lowest rate we can consistently put upon diamonds is what we put upon other luxuries, or at least 50 per cent.

If I thought cut diamonds would be imported at the 20 per cent rate, I should not hesitate a minute to vote for the rate, or, as I stated before, for a great deal higher rate. But the result of such a rate would be that the smuggling of diamonds would be immediately undertaken in this country, and those who desire to do a legitimate business would be compelled to purchase their diamonds of those who would smuggle them into this country, as they were compelled to do so in the past, when a rate of 25 per cent was imposed.

I know that there has been a great deal of sentiment manufactured in this country against the low rate on diamonds. I know that it has been held up to the American people that the present law imposes a duty of only 10 per cent upon diamonds, while woolen goods, which the people are compelled to wear, carry a duty five or six or seven times as great. There is not a Senator upon the other side of the Chamber who does not know that past experience has shown that whenever a rate of even 25 per cent has been imposed upon diamonds there has been a systematic smuggling of diamonds into this country, and very little revenue has been collected by the Government from direct importations to men who have been trying to do a legitimate business.

Diamonds, rough or uncut, are now upon the free list in paragraph 555, while cut diamonds carry a duty of 10 per cent. The reasons for this were that experience has shown that 10 per cent is about the highest rate at which cut diamonds can be imported into this country and smuggling stopped. It seems that a rate of 10 per cent will not justify the danger of being apprehended and the expense incident thereto; and the 10 per cent difference between cut and uncut diamonds is the difference between the cost of doing that work in this country and in a foreign land.

I predict now that if a duty of 20 per cent is imposed upon cut diamonds, immediately upon the passage of the bill a systematic smuggling of diamonds into this country will begin; and instead of the Government receiving an increase of revenue from importations of diamonds, there will be a decrease of revenue from those that are imported legitimately into this country.

I do not know that I care to say anything more at this time upon this subject. If I thought it would do any good to offer an amendment, I should offer one at this time. I am quite positive from our past experience, however, that it will not; and therefore I shall content myself with the few remarks I have made upon the subject.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 368, page 114, line 12, after the word "Laces," to strike out "lace braids," and on line 14, after the word "whatever," to strike out "material" and insert "yarns, threads, or filaments," so as to read:

368. Laces, lace window curtains not specially provided for in this section, coach, carriage, and automobile laces, and all lace articles of whatever yarns, threads, or filaments composed.

The amendment was agreed to.

Mr. HUGHES. Mr. President, I ask that this paragraph may be passed over.

Mr. SMOOT. I was going to ask the same thing, Mr. President.

The VICE PRESIDENT. The paragraph will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 115, to strike out paragraph 369, in the following words:

369. Chamois skins, 15 per cent ad valorem; pianoforte, pianoforte action, and glove leathers, 10 per cent ad valorem.

And to insert in lieu thereof the following:

369. Seal, sheep, goat, including lamb and kid skins, calfskins, and other skins and leather dressed and finished, including patent, japanned, varnished, or enameled leather, not specially provided for in this section, and not for boot or shoe manufacturing purposes, chamois skins, pianoforte, pianoforte action, glove leather, enameled upholstery, automobile or furniture leather, 10 per cent ad valorem: *Provided*, That leather cut into forms suitable for conversion into manufactured articles not specially provided for in this section shall be subject to a duty of 15 per cent ad valorem.

Mr. SMOOT. Mr. President, I have just sent word to the Senator from Vermont [Mr. PAGE], who desires to submit a few remarks upon this paragraph. I shall be glad if it may be passed over temporarily, without action, until he can arrive.

Mr. HUGHES. I understand it is desired to pass it over only temporarily, until the Senator from Vermont returns?

Mr. SMOOT. Yes. We can revert to it just as soon as the Senator arrives in the Chamber.

Mr. HUGHES. Very well; I shall be glad to have that done.

The VICE PRESIDENT. Paragraph 369 will be temporarily passed over.

The reading of the bill was resumed.

The next amendment was, in paragraph 370, page 116, line 8, after the word "leather," to insert "or parchment"; in line 9, after the word "leather," to insert "or parchment"; in line 11, after the word "section," to insert "30 per cent ad valorem"; in line 12, before the word "the," to strike out "all" and insert "any of"; in the same line, after the word "foregoing," to strike out "whether or not"; in line 14, after the word "and," to strike out "similar" and insert "other"; in the same line, after the word "sets," to insert "of articles of utility"; and in the same line, before the words "per cent," to strike out "30" and insert "40," so as to make the paragraph read:

370. Bags, baskets, belts, satchels, card cases, pocketbooks, jewel boxes, portfolios, and other boxes and cases, made wholly of or in chief value of leather or parchment, not jewelry, and manufactures of leather or parchment, or of which leather is the component material of chief value, not specially provided for in this section, 30 per cent ad valorem; any of the foregoing permanently fitted and furnished with traveling, bottle, drinking, dining or luncheon and other sets of articles of utility, 40 per cent ad valorem.

Mr. SMOOT. Before final action is taken upon this paragraph I should like to ask that it may also be passed over temporarily until one or two Senators who wish to say something about it can arrive.

Mr. CLARK of Wyoming. I wish to call the attention of the Senator——

The VICE PRESIDENT. Does the Senator object to having the committee amendment first passed upon?

Mr. CLARK of Wyoming. No; except that I simply wish to call the attention of the Senator from New Jersey to a matter

that might be considered at the same time; that is, in line 14, page 116, whether the word after the word "luncheon" should not be "or" instead of "and." The word "and" indicates that the satchel, or whatever it is, shall be furnished with all these accessories. I suppose the intention is that it may be furnished with any of them.

Mr. HUGHES. "Dining, luncheon, and other sets"—is that the Senator's suggestion?

Mr. CLARK of Wyoming. I think it should be "luncheon or other sets."

Mr. HUGHES. Yes; I think so, too. I think if we should strike out the word "or" and insert a comma, leaving in the word "and," that would make it all right.

Mr. CLARK of Wyoming. It depends, of course, upon exactly what the committee means.

Mr. HUGHES. Then it would read: "Dining, luncheon, and other sets of articles of utility." Would that express the meaning of the Senator?

Mr. CLARK of Wyoming. If that is the meaning that the committee wishes to express, all right; but with the word "and" there it strikes me that the accessories would include all these things—traveling, bottle, drinking, dining or luncheon and other sets. I suppose it was intended to be "or other sets."

Mr. HUGHES. Yes; I think that would improve it. I should like to have the committee amendment passed upon first.

The VICE PRESIDENT. The question is upon agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. HUGHES. I now move to strike out the word "or" before the word "luncheon" and insert a comma.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 116, line 13, after the word "dining," it is proposed to strike out the word "or" and insert a comma.

The amendment was agreed to.

Mr. HUGHES. Then, after the word "luncheon" and before the word "other" I move to strike out the word "and" and insert the word "or."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 116, line 14, after the word "luncheon," it is proposed to strike out "and" and insert "or."

The amendment was agreed to.

Mr. HUGHES. Does the Senator ask that this paragraph may be temporarily laid aside?

Mr. SMOOT. The Senator from Vermont [Mr. PAGE] is now here. He can take up paragraph 369 now, I presume, and by that time we can pass upon this one.

Mr. HUGHES. I ask that we may return to paragraph 369, which has been read.

Mr. PAGE. Mr. President, I simply wish to say that while perhaps the reduction of this duty to 10 per cent will not prove fatal to the leather interests they have made many appeals to me to see if I could not secure a change in the duty. No one knows about this matter better than the Senator from New Jersey [Mr. HUGHES], who has given it a great deal of study. I have assured these gentlemen that I thought there was no possible chance of changing the schedule, and I do not know that I care to take the time of the Senate by moving to increase the duty from 10 to 15 per cent. I think if the Senator from New Jersey were left to exercise his own judgment he would say that ought to be done. Under the circumstances I rather think I shall not take up the time of the Senate by making any motion to amend in view of the fact that the Senator from New Jersey and myself have perhaps reached a fairly reasonable conclusion about the matter.

Let me, however, put myself on record now as saying that this duty of 10 per cent on seal, sheep, goat, and other skins prepared for pocketbooks and fancy leathers is going to work a great hardship upon the manufacturers of leather in the Senator's own State, especially the large concerns in Newark and in Jersey City. I wish he felt disposed to add 5 per cent to the duty; but I suppose it is useless to ask it.

Mr. HUGHES. I feel disposed to do it. [Laughter.]

Mr. PAGE. The Senator is so good-natured about it that I am going to make a motion that the duty be increased from 10 to 15 per cent, by striking out the numerals "10" on the first line of page 116, and inserting in lieu thereof "15." I ask the Senator from New Jersey to accept that amendment, if he will.

Mr. HUGHES. I will say to the Senator that it would be impossible for me to accept the amendment. I should feel much better about it if I could accept it. This represents the very best judgment of the committee on this question. I think it is a fair solution of the very complex problem that presented itself to the committee.

The leather manufacturers undoubtedly are somewhat harshly treated by this bill, particularly the patent-leather manufacturers, but that was a necessary corollary to placing boots and shoes upon the free list. It happens, unfortunately for me, that a great many of these particular industries are located in my State; and I shall have to bear the burden, I suppose. I must say for the members of the committee that they were fair and did their best to arrive at a solution of this very, very difficult problem.

We have arranged the language so that there will be a duty upon leather which enters into the manufacture of articles that are taxed, but when we went to the length of putting boots and shoes upon the free list, we could not, in conscience, leave a tax upon patent leather and other leathers that enter into the manufacture of boots and shoes. To that extent this paragraph is a discrimination against the makers of that leather.

Mr. PAGE. But I think the Senator from New Jersey will confess that everything that is included in this paragraph is in the nature of a luxury. None of this leather goes into boots and shoes. Leather for that purpose is especially ruled out by the language of the paragraph. I am not at this time attacking the provision with regard to making free the leather which enters into boots and shoes. This, however, is the class of leather that goes into pocketbooks and fancy bags, and things of that kind, that are used by the wealthy people of the country. I wish to say, in this connection, that the manufacturers have come to me and have shown me samples of leather which have been exhibited to them, manufactured in Scotland, and they have been assured that that leather could be delivered to them at a price which they say is less than they can make it for.

As the Senator from New Jersey knows, there is no more plucky set of men in this country than the leather men; and in spite of these things they say, "We shall not say that we are going out of business. We have our factories all in running order, and we are not going to play the baby act to the extent of saying that we are going to close our factories if you pass this bill; but we do say that you are inflicting upon us a damage which ought not to be inflicted, and which is not necessary, in order that you may carry out your idea in regard to free leather entering into shoes."

Mr. HUGHES. I will say to the Senator that, of course, as he is aware, we can not deal with this paragraph without taking into consideration the paragraph in the free list. I have received absolutely no complaint from the manufacturers of leather, so far as these classes of leather are concerned. I agree with the Senator from Vermont that there is no more plucky set of manufacturers in the United States than the leather manufacturers. I will say, too, that I believe they are the greatest leather makers in the world.

A glance at the exports of leather will show that despite the fact that a great many of the materials which enter into the production of their leather are taxed, and we were unable to find any way to free a great many of them from that tax, they are still able to compete in the markets of the world. I think an American citizen can say without boasting that they have overcome disadvantages of various kinds—legislative disadvantages—and they stand foremost to-day among the leather makers of the world. I have not the slightest doubt about their ability to go on under the provisions of this bill, but, as I said a while ago, I must admit, and every fair man must admit, that the manufacturers who are making leather that is put upon the free list and are still compelled to pay a tax upon a great many of the materials which go into the making of leather are discriminated against by this bill. I can not see any way to avoid it myself.

Mr. PAGE. I only wish to say that I expect to do no more than enter a protest in behalf of these tanners. I must make that protest, I think, by moving the amendment I suggested. If desired, I will restate the amendment.

I move, on page 116, in the first line, to strike out "10" and insert "15" in place thereof.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Vermont to the amendment of the committee.

Mr. PAGE. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ASHURST. I ask that the question may be stated.

The VICE PRESIDENT. The Secretary will state the amendment to the amendment of the committee.

The SECRETARY. On page 116, line 1, in the committee amendment, it is proposed to strike out "10" and insert "15," so as to make it read "15 per cent ad valorem."

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. JACKSON]. As he is not present, I withhold my vote.

Mr. SHEPPARD (when Mr. CULBERSON's name was called). My colleague [Mr. CULBERSON] is unavoidably absent. He is paired with the senior Senator from Delaware [Mr. DU PONT]. I ask that this announcement may stand for the day.

Mr. McCUMBER (when Mr. GRONNA's name was called). My colleague is necessarily absent. He is paired with the junior Senator from Illinois [Mr. LEWIS]. I wish this announcement to stand for the day, and upon each vote taken upon this schedule.

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS]. I transfer that pair to the junior Senator from California [Mr. WORKS], and will vote. I vote "yea."

Mr. PENROSE (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS]. I transfer that pair to the junior Senator from Maine [Mr. BURLEIGH], and will vote. I vote "yea."

Mr. REED (when his name was called). I wish to inquire if the senior Senator from Michigan [Mr. SMITH] will be present to-day?

The VICE PRESIDENT. The Chair can not say as to that. The Chair will say that he has not voted.

Mr. REED. I will withhold my vote, then, because I am paired with that Senator. If I were at liberty to vote, I should vote "nay."

Mr. MARTIN of Virginia (when the name of Mr. SMITH of Maryland was called). The senior Senator from Maryland is unavoidably absent from the city. He is paired with the senior Senator from Vermont [Mr. DILLINGHAM].

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). The senior Senator from Michigan [Mr. SMITH] is absent on important business. He is paired with the junior Senator from Missouri [Mr. REED]. I desire this announcement to stand for the day.

Mr. THOMAS (when his name was called). I have a pair with the senior Senator from Ohio [Mr. BURTON]. I transfer that pair to my colleague [Mr. SHAFROTH] and will vote. I vote "nay.'

Mr. TILLMAN (when his name was called). I have a general pair with the junior Senator from Wisconsin [Mr. STEPHENSON]. As he is absent, I withhold my vote. I ask that this announcement may stand for the day.

Mr. O'GORMAN (when Mr. THORNTON's name was called). I wish to announce the unavoidable absence of the senior Senator from Louisiana [Mr. THORNTON].

The roll call was concluded.

Mr. BANKHEAD. I have a pair with the junior Senator from West Virginia [Mr. GOFF]. I transfer that pair to the senior Senator from Louisiana [Mr. THORNTON] and will vote. I vote "nay."

Mr. HOLLIS. The junior Senator from Delaware [Mr. SAULSBURY] is absent on important business. He is paired with the junior Senator from Rhode Island [Mr. COLT]. I ask that this announcement may stand for the day.

Mr. GALLINGER. I am requested to announce the pair of the senior Senator from Delaware [Mr. DU PONT] with the senior Senator from Texas [Mr. CULBERSON].

The result was announced—yeas 22, nays 46, as follows:

YEAS—22.

Bradley	Kenyon	Oliver	Sterling
Brandegee	Lippitt	Page	Townsend
Clapp	Lodge	Penrose	Warren
Clark, Wyo.	McCumber	Perkins	Weeks
Gallinger	McLean	Root	
Jones	Nelson	Smoot	

NAYS—46.

Ashurst	Hitchcock	O'Gorman	Smith, Ariz.
Bacon	Hollis	Overman	Smith, Ga.
Bankhead	Hughes	Owen	Smith, S. C.
Borah	James	Pittman	Stone
Bristow	Johnson	Poindexter	Sutherland
Bryan	Kern	Pomerene	Swanson
Chamberlain	Lane	Ransdell	Thomas
Clarke, Ark.	Lea	Robinson	Thompson
Crawford	Martin, Va.	Sheppard	Vardaman
Cummins	Martine, N. J.	Shields	Walsh
Fletcher	Myers	Shively	
Gore	Norris	Simmons	

NOT VOTING—27.

Brady	Dillingham	Lewis	Smith, Mich.
Burleigh	du Pont	Newlands	Stephenson
Burton	Fall	Reed	Thornton
Catron	Goff	Saulsbury	Tillman
Chilton	Gronna	Shafroth	Williams
Colt	Jackson	Sherman	Works
Culberson	La Follette	Smith, Md.	

So Mr. PAGE's amendment to the amendment of the committee was rejected.

Mr. HUGHES. I wish to suggest a change in punctuation. In line 21, after the word "skins," I move to strike out the comma and insert a semicolon.

Mr. SMOOT. I wish to call the Senator's attention to the proposed amendment, striking out a comma and putting in the semicolon.

Mr. HUGHES. After the word "skins." I think that is where the Senator wanted to have it inserted, so as to read, "and other skins; and leather dressed and finished."

Mr. SMOOT. I understood the Senator to say it was to come in after "skins" where it first occurs.

Mr. HUGHES. No.

The amendment to the amendment was agreed to.

Mr. HUGHES. In line 24, after the word "purposes," I move to strike out the comma and insert a semicolon.

The amendment to the amendment was agreed to.

Mr. HUGHES. In line 25, after the word "pianoforte," I move to insert "and," so as to read, "pianoforte and pianoforte action."

The amendment to the amendment was agreed to.

Mr. HUGHES. After the word "action" in the same line, I move to strike out the comma and insert the word "leather."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. SMOOT. Referring to paragraph 370, I wish to call the attention of the Senator to the amendment offered by the committee in line 9, page 116, inserting the words "or parchment" after "leather." I have no objection to that amendment, but I think the Senator will admit that by the addition of those words the same words ought to follow after the word "leather" in line 10, so as to read:

And manufactures of leather or parchment, or of which leather or parchment is the component material of chief value.

Mr. HUGHES. I agree with the Senator.

Mr. SMOOT. I will offer that amendment if the Senator will accept it.

Mr. HUGHES. I will accept it.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 372, page 116, line 21, to strike out "Men's, women's" and insert "Women's"; in line 24, after the word "pairs," to insert "additional," and after the word "each," in the same line, to strike out "additional," so as to make the paragraph read:

372. Women's or children's "glacé" finish, Schmaschen (of sheep origin), not over 14 inches in length, $1 per dozen pairs; over 14 inches in length, 25 cents per dozen pairs, additional for each inch in excess of 14 inches.

The amendment was agreed to.

The next amendment was, in paragraph 373, page 117, line 1, after the word "other," to insert "women's or children's"; in line 3 to strike out "$2" and insert "$2.50"; in line 4, after the word "dozen," to insert "pairs additional," and after the word "each," in the same line, to strike out "additional," so as to read:

All other women's or children's gloves wholly or in chief value of leather, not over 14 inches in length, $2.50 per dozen pairs; over 14 inches in length, 25 cents per dozen pairs additional for each inch in excess of 14 inches.

The amendment was agreed to.

The next amendment was, in paragraph 373, page 117, line 5, after the word "inches," to insert:

All men's leather gloves not specially provided for in this section, $3 per dozen pairs.

The amendment was agreed to.

The next amendment was, in paragraph 374, page 117, line 11, after the word "silk," to insert the word "leather," so as to make the paragraph read:

374. In addition to the foregoing rates there shall be paid the following cumulative duties: On all leather gloves when lined with cotton or other vegetable fiber, 25 cents per dozen pairs; when lined with a knitted glove or when lined with silk, leather, or wool, 50 cents per dozen pairs; when lined with fur, $2 per dozen pairs; on all piqué and prix-seam gloves, 25 cents per dozen pairs.

The amendment was agreed to.

The next amendment was to strike out paragraph 376, in the following words:

376. Harness, saddles, saddlery in sets or in parts, finished or unfinished, not specially provided for in this section, 20 per cent ad valorem.

And in lieu thereof to insert:

376. Manufactures of amber, catgut, or whip gut, or worm gut, including strings for musical instruments; any of the foregoing or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 20 per cent ad valorem.

Mr. SMOOT. I notice in paragraph 377, as it came from the House——

Mr. PENROSE. That has not been read yet.

Mr. SMOOT. But that has reference also to what I am going to say.

In paragraph 377 catgut or whip gut or worm gut are placed by the House at a rate of duty of 10 per cent ad valorem.

The Senate committee has taken catgut or whip gut or worm gut from paragraph 377 and made a new paragraph, paragraph 376, and included those items, imposing a rate of duty of 20 per cent ad valorem. Can the Senator having the schedule in charge tell why that was done?

Mr. HUGHES. We discovered in our investigation that there was not any such thing, strictly speaking, as manufactured catgut. Catgut is already a manufactured article. We found this rather peculiar situation of affairs. A musical-instrument string is brought in at a rate of duty as a manufacture of catgut, whereas as a matter of fact it is nothing but catgut itself, not being a manufacture at all.

Mr. SMOOT. The Senator will notice in the wording of the paragraph that it says "manufactures of" just the same as in paragraph 377.

Mr. HUGHES. We did that in order to conform to the general notion as to what catgut is, but we provided for musical-instruments strings at one rate of duty and we provided for surgeons' catgut and whip gut in the free list. I think we have improved the administration of the law so far as this article is concerned; we laid varying rates of duty in accordance with its uses. I think it is a distinct improvement over the old law.

Mr. SMOOT. It is an improvement perhaps as to the rate, but I want to know why there was an advance in the rate. The wording in both paragraphs is the same, because it says "manufactures of" and then enumerates the articles in both paragraphs, catgut, and whip gut, and worm gut.

Mr. JOHNSON. Mr. President, there are manufactures of catgut. Tennis rackets are made from catgut. That is one of the articles.

Mr. SMOOT. I do not make the statement that there are no manufactures because I have always understood that there are. What I wanted to know is why the rate was increased. The House provided for a rate of 10 per cent upon manufactures of catgut, worm gut, and whip gut, and now the Senate committee has made a change and increased that rate from 10 per cent to 20 per cent. All I wanted to know was why it was done. For what reason was it done?

Mr. JOHNSON. Manufactures of catgut, whip gut, worm gut, and strings for musical instruments are in the same paragraph.

Mr. HUGHES. The manufacture of it might be doubtful sometimes.

Mr. SMOOT. The words "including strings for musical instruments" are used. That is only an additional specification. The rate on whip gut, catgut, or worm gut is increased 10 per cent by the committee.

Mr. HUGHES. Tennis rackets, we understood, are made of catgut. That is information we had not learned that the House had. There are some other articles like that which will be covered by it.

Mr. SMOOT. Catgut has always been used in the manufacture of tennis rackets. There is no doubt about that.

Mr. HUGHES. I do not want to be understood as saying—although I think I did say—that there is not any such thing as manufactured catgut. I meant that articles called catgut are not manufactured of catgut, but they are simply catgut. For instance, musical-instrument strings which heretofore have been regarded as a manufacture of catgut are catgut itself.

Mr. SMOOT. This language applies to manufactures of catgut also. We had the question up in 1909 and thrashed it out very thoroughly.

Mr. HUGHES. I will say to the Senator that there is quite a difference between a musical-instrument string, a tennis racket, and articles of that sort, and catgut and whip gut used by surgeons. We have put one rate of duty upon the manufactures of strings and we have put catgut for surgeons on the free list.

Mr. SMOOT. If that was the intention of the Senators, they have absolutely missed it in the bill, because they specifically provide for the manufactures of catgut, whip gut, and worm gut, and then say "including strings for musical instruments." So all that means, of course, is not only that it shall include manufactures of every kind of catgut, but it shall include the strings for musical instruments.

Mr. HUGHES. I do not know whether I make myself clear or not. We struck out the differentiation for the reason I have stated, that it was found to be the practice at the ports to charge one rate of duty for the commodity when it was entered as a musical-instrument string and another when it was entered as catgut.

Mr. SMOOT. The Senator certainly has provided just the opposite.

Mr. HUGHES. No; I think not.

Mr. SMOOT. Because it says here—

Manufactures of amber, catgut or whip gut, or worm gut, including strings for musical instruments.

They are all the same. They are 20 per cent ad valorem.

Mr. HUGHES. Yes; "all manufactures of" will include strings for musical instruments. Tennis rackets, if catgut is the component of chief value, and other articles made out of catgut may come in at 20 per cent, thus doing away with the difficulty we had in administering the law, which depended entirely upon the use that the commodity was to be put to after it came in. I think the Senator will see that now we have provided a rate for the manufactures of catgut, including musical-instrument strings, which will apply whether a man brings in a ball of catgut and intends to make tennis racquets or intends to make strings for musical instruments out of it. Then, to enable surgeons to get catgut, which up to the present time came in for that purpose at a low rate of duty, we provided that catgut for that use should go on the free list.

Mr. SMOOT. I remember that in 1909 there was a good deal of discussion in the Senate and considerable criticism against the then senior Senator from New Jersey for trying to increase the rate upon catgut, as it was produced largely in New Jersey. I thought I would call attention to the fact that the change had been made from the House provision of 10 per cent to 20 per cent upon this particular item. I wondered why the change was made. That is the reason why I asked the question.

Mr. JOHNSON. In view of what the Senator states, I will say that under the present law the duty upon musical-instrument strings is 45 per cent ad valorem. They are made of catgut.

Mr. SMOOT. But they are not the only things manufactured out of catgut.

Mr. JOHNSON. The House cut the rate down from 45 to 25 per cent.

Mr. SMOOT. The House cut the rate down to 10 per cent.

Mr. JOHNSON. No; the House fixed the rate on musical instruments at 25 per cent, and we have cut it to 20 per cent.

Mr. SMOOT. I am talking of the great bulk of catgut that is manufactured in this country.

Mr. JOHNSON. When it comes to this country it is used for musical strings, is it not?

Mr. PENROSE. It is used for surgical purposes and for medical purposes.

Mr. SMOOT. And tennis rackets.

Mr. HUGHES. I will say to the Senator that we found that the catgut that is used ordinarily by surgeons can be put right on a fiddle, and that it can be made an E string and a G string on the cello, and can often be used for making tennis rackets. In the Payne-Aldrich law there is a duty as high as 45 per cent and a duty as low as 10 per cent and the rate charged depended upon what a man was going to use the catgut for.

Mr. SMOOT. I remember the rate is 40 per cent in the present law.

Mr. HUGHES. Forty-five per cent.

Mr. SMOOT. And that applied only to stringed instruments.

Mr. HUGHES. So far as the language of the law is concerned——

Mr. SMOOT. The other rate in the present law is 25 per cent. I notice that the rate on the manufacture of all catgut, whip gut, or worm gut under the amendment reported by the committee of the Senate is placed at 20 per cent instead of 10 per cent, as provided by the House in paragraph 377.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 377, page 117, line 25, after the words "manufactures of," to strike out "amber," and in the same line, after the word "bladders," to strike out "catgut or whip gut or worm gut," so as to make the paragraph read:

377. Manufactures of asbestos, bladders, or wax, or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 10 per cent ad valorem; yarn and woven fabrics composed wholly or in chief value of asbestos, 20 per cent ad valorem.

Mr. PENROSE. Mr. President, I desire to speak for a few moments upon paragraph 377. The paragraph itself and the amendment to it open up a vista that gives the Senate and the country an idea of the impartial way in which the measure has been framed.

As the Senator from Utah [Mr. SMOOT] has said, four years ago—it is well known to every member of the Finance Commit-

tee on the then majority side, and they are all still Members of this body, although now in the minority—catgut and its cognate products were put on the dutiable list with an adequate duty largely at the request of the then Senator from New Jersey, Mr. Kean. It must be highly gratifying to the citizens of that great Commonwealth that they still have a representative in this body able, regardless of the Democratic theories of free trade and duties for revenue only, to preserve the important product of catgut and the manufactures thereof from the invasion of the manufactures of the pauper and oppressed labor of Europe.

At the same time while they deliberately saved catgut from impending ruin they calmly and deliberately leave asbestos and manufactures thereof at a duty of 50 per cent reduction from that existing in the present law.

Mr. SMOOT. And as to bladders.

Mr. PENROSE. I am not so much interested in bladders because I do not know where they are manufactured, but I do discover that Pennsylvania produces all but a very imperceptible amount of the manufactures of asbestos, and notwithstanding the fact that these two States adjoin, only having the river to separate them, catgut is saved and asbestos and the manufactures thereof are opened to ruin. Such is the logic of the bill. Both these industries are small, but they will doubtless go down to history as illustrative of Democratic consistency—New Jersey catgut saved, Pennsylvania asbestos and the manufactures thereof destroyed.

It has been suggested to me by a Senator sitting behind me that perhaps asbestos is better qualified to be damned. [Laughter.]

Even to-day the aggregate sales of all the asbestos textile mills in the United States producing yarns, fabrics, and other articles therefrom do not exceed $2,000,000 annually, and the total capital invested in the industry is $2,500,000. Of this, $1,750,000 is in Pennsylvania.

I suppose if these gentlemen had moved over into New Jersey last winter, when assurances were given that no legitimate industry was to suffer any serious injury, they might still have hoped to at least be kept on a parity with catgut and far removed from paragraph 377, where they unfortunately languish, and enjoy the full efflorescence of prosperity which will accompany paragraph 376.

Mr. HUGHES. I call the attention of the Senator from Pennsylvania, in order that he might not spoil his speech or argument——

Mr. PENROSE. I can not hear the Senator from New Jersey, and certainly could not understand all his explanations about catgut.

Mr. HUGHES. I call the Senator's attention, in order that he may not do his State an injustice, to the fact that the production of asbestos, instead of being $2,000,000, is $12,000,000.

Mr. PENROSE. I was talking about the manufacture of asbestos textiles, and I hope the Senator will not embarrass the unfortunate gentlemen who have failed to keep pace with catgut by making a technical objection of that kind. I distinctly said that I referred to the textile manufactures in the present bill. As it came from the House the bill read:

> Manufactures of amber, asbestos, bladders, catgut, or whip gut, or worm gut, or wax, or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 10 per cent ad valorem; yarns and woven fabrics composed wholly or in chief value of asbestos, 20 per cent ad valorem.

Then the Senate committee takes out of the paragraph catgut or worm gut manufactured in New Jersey and leaves the Pennsylvania textile at the mercy of the inclemencies of next winter. The Payne law provided for the manufactures of amber, asbestos, bladders, catgut, whip gut, or worm gut, or wax, and so on, not specially provided for in this section, 25 per cent ad valorem. It reads:

> Manufactures of amber, asbestos, bladders, catgut, or whip gut, or worm gut, or wax, or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 25 per cent ad valorem; woven fabrics composed wholly or in chief value of asbestos, 40 per cent ad valorem.

Here I might call attention to the broad-minded patriotism of the Payne bill and the great virtues of its framers in that, with a breadth of patriotism, they took equally good care of the catgut of New Jersey and the asbestos textiles of Pennsylvania.

As applied to manufactures of asbestos, the above provision vitally affects two classes of commodities, namely, asbestos yarns and asbestos woven fabrics. The proposed new bill reduces the duty on woven fabrics from 40 per cent ad valorem to 20 per cent ad valorem and on yarns from 25 per cent ad valorem to 20 per cent ad valorem. All other manufactures of asbestos are reduced from 25 per cent ad valorem to 10 per cent ad valorem.

These reductions, in my opinion, Mr. President, are drastic. The industry is located in part in Lancaster County, Pa.; not far from Philadelphia. I am familiar with the conditions under which it is being conducted, and have known the circumstances and surroundings of this new industry for several years. These reductions will seriously handicap an industry comparatively new in this country without accomplishing any of the purposes of the measure under consideration. Surely it is not the intention of Congress to endanger invested capital, or at least such was the declaration prior to the election of last November, especially where the compensating virtue of general good or public benefit does not follow or the production of increased revenues will not result.

As a domestic industry the asbestos textile business is comparatively new and relatively small. Only within the last 10 years have its products become real commercial commodities. Even to-day the aggregate sales of all of the asbestos textile mills in the United States producing yarns and fabrics and other articles therefrom, as I have already stated to the Senate, do not exceed $2,000,000 annually, and the total capital invested in the industry is $2,500,000. Whether this investment of American capital compares with the dimensions of capital invested in New Jersey catgut, I am not informed [laughter], but certainly the discrimination exercised against this industry in favor of the other excites my sympathy, commiseration, and condemnation.

Of this investment fully $1,750,000 is in Pennsylvania. It is a new industry on the threshold of development. To subject it to unequal competition from abroad will endanger its present standing and retard its growth.

The maintenance of the present duty of 40 per cent ad valorem on woven fabrics and the placing of asbestos yarns in the same class will work no hardship against the common good. Reducing the duty will effect no general public benefit. The objections to existing tariff rates put forth by the advocates of the proposed bill do not apply against asbestos textiles. Principal among these objections are the following, which I will only refer to briefly:

How can it be seriously stated that a project the total sales value of which in a whole year does not exceed $2,000,000 could have had any perceptible influence toward increasing the cost of living? Had the volume of sales been sufficient during the last 10 years to affect ultimate living costs, the influence would have been the other way, for prices have steadily declined instead of increasing, due largely to foreign competition; yet the increased cost of living is one of the first reasons given for a lowering of present duties.

The development of industrial combinations or trusts is another reason advanced in favor of tariff reductions. There is no suggestion of a trust or combination in this small and infant industry; there are approximately but eight domestic concerns all told. Six of them are located in Pennsylvania, one in South Carolina, and one in New York. Surely the Finance Committee majority members must have forgotten that one of these concerns is located in South Carolina. Each is a separate corporation, with absolutely independent and unrelated stock ownership, and all are in active competition with each other.

Exhaustion of the natural resources, unless a fresh supply is gained or curtailment of a domestic supply induced through importations from abroad, need not be feared, for the raw materials from which asbestos textiles are manufactured is not produced within the confines of the United States. It comes almost exclusively from Canada. The same country also supplies extensive quantities of crude asbestos to foreign manufacturers, and delivers it to them at the same prices at which American manufacturers can have the material laid down at their factories.

Obsolete plants and methods of manufacture are practically unknown in this industry. As already stated, it is comparatively new. All of the plants are equipped with substantially the same kind of machinery, which is the most efficient yet devised for this work. Instances of machines or processes or plants in operation "60 years old" or "hopelessly behind the times," which ought to be relegated to the scrap heap, are not to be found. Domestic plants and processes are not only the most modern known to American manufacturers, but are as modern and efficient as those of foreign competitors. Consequently another favorite argument of the tariff revisionist is absent in this case.

The authors of the pending bill, Mr. President, say they have "kept in mind the distinction between necessaries and luxuries of life, reducing the tariff burdens on the former to the lowest possible point commensurate with revenue requirements and making the luxuries of life bear their proper portion of the tariff responsibilities."

I am not quite certain whether that quotation is from the last platform of the Democratic national convention or some equally authentic document; probably it may be a later message of the President.

Asbestos textile products can not be classed as necessaries of life. One of the largest uses to which this material is put is the making of the friction facing on automobile brakes. A large quantity is also used in the making of high-pressure steam packing for engines, pumps, and the like, and gaskets for boilers, steam-pipe joints, and so forth. The effect of the price of asbestos products used for such purposes on the ultimate cost of manufactured articles from plants using such products, or on the cost of operation of processes wherein they are used, is so infinitesimal that it can scarcely be found. A relatively small quantity is used in the making of theater curtains, while a fair proportion is used in electrical insulations. Outside of these fields the use is small and insignificant.

I have, Mr. President, some statements and figures on the cost of production of this article here and abroad. I know that statements of the difference of cost of production fall on deaf ears, so far as the majority in this Chamber is concerned. I shall not, therefore, detain the Senate by reading them, but I will ask permission to have them inserted as a part of my remarks.

The VICE PRESIDENT. Permission will be granted, in the absence of objection.

The matter referred to is as follows:

COST OF PRODUCTION.

Difference in the cost of production here and abroad is the primary reason why domestic asbestos textile manufacturers are asking for a maintenance of the 40 per cent duty on woven fabrics and a like duty on yarns. The cost of production theory has been rejected as a reliable guide in fixing the duty on many articles, because in many industries cost accounting has not been uniform and affords no satisfactory basis for comparison, while in many others official investigation showed a great variation in cost of the same article in different factories. A thorough canvass of the subject of cost in the asbestos textile industry shows a wonderful uniformity. All of the factories practically agree on the factory cost of production per pound of yarn, which is the base unit. The cost of the average or medium grade of yarn is about as follows:

Asbestos	per pound	$0.10
Labor	do	.10
Overhead	do	.05
Total	do	.25

A study of the conditions under which the foreign manufacturer operates shows his costs on the same grade of goods to be as follows:

Asbestos	$0.10
Labor	.05
Overhead	.03
Total	.18

Adding to the foreign competitors' cost of production the 25 per cent now levied under the existing bill on asbestos yarns, allows him to set his goods down here at a total cost per pound of yarn of 22.5 cents; or, adding to it the 40 per cent duty which was asked for by the domestic manufacturers before the Ways and Means Committee of the House, in its recent hearings on the bill under consideration, makes the foreigner's cost 25.2 cents per pound, thus placing the domestic and foreign manufacturer on a fair competition basis.

Comparative table.

Yarn.	Here.	Abroad, under present law.	Abroad, under 40 per cent law.
	Cents.	*Cents.*	*Cents.*
Asbestos	10	10	10
Labor	10	5	5
Overhead	5	3	3
Duty	.....	4.5	7.2
Total	25	22.5	25.2

A like comparison of the cost of woven fabrics, which carry a 40 per cent duty under the present bill, shows the following:

Cloth.	Here.	Abroad.
	Cents.	*Cents.*
Asbestos	10	10
Labor	13	6.5
Overhead	6	4
Duty at 40 per cent	.....	8.2
Total	29	28.7

From which it is seen that even at the present tariff rates the foreigner has the advantage on the cost of production.

Under the rates of the bill now before Congress the comparative costs would be:

Yarn.	Here.	Abroad.
	Cents.	*Cents.*
Asbestos, per pound	10	10
Labor, per pound	10	5
Overhead, per pound	5	3
Duty, at 20 per cent	.....	3.6
Total	25	21.6

Cloth.	Here.	Abroad.
	Cents.	*Cents.*
Asbestos	10	10
Labor	13	6.5
Overhead	6	4
Duty, at 20 per cent	.....	4
Total	29	24.5

Mr. PENROSE. Wages are fairly good in this industry, as things go. Men receive $15 per week, boys $8.50, and girls $7. I will ask to have all this matter relative to the difference in wages here and abroad inserted as a part of my remarks.

The VICE PRESIDENT. In the absence of objection, permission to do so will be granted.

The matter referred to is as follows:

Does our labor cost seem high? Compared with the cost of labor in the cotton and woolen textile industries—which are the standard textile industries in this country—it is indeed high. State and Federal investigation into the question of wages paid in the great mill district of New England reveal an average wage scale much lower than is paid in the asbestos textile industry. The prevailing average wage paid by all of the asbestos textile factories is:

	Per week.
Men	$15.00
Boys	8.50
Girls	7.00

These are living wages. The best evidence is that the employees are satisfied. It is desirable that this condition should continue, for low wages bring discontent and inefficiency. If lower selling prices for the goods manufactured by American mills are forced, through a reduction of tariff duties and the resulting increase in foreign competition, these wages can not be maintained, for the margin of profit in the business is now so small that domestic manufacturers can not reduce selling prices without reducing wages.

Comparative cost of production aside, the fact remains that the importation of woven fabrics and yarns has increased 125 per cent in the last five years, while the increase in the manufacture of domestic fabrics and yarns has been 100 per cent, demonstrating that the foreigner can produce at a lower cost and profitably compete in our markets. In 1896 the value of imported asbestos under a 25 per cent duty was $21,313.25, and in 1912 it was $241,064. In addition to this the importation of fabrics carrying 40 per cent duty amounted, in 1912, to $96,488. If we add the 25 per cent duty to the importations in 1912 of articles carrying that rate, and the 40 per cent duty to the importations of the same year of articles carrying the 40 per cent rate, the value of the imported products at the cost price here is $436,413. The factory cost of domestic yarns and fabrics manufactured in 1912 did not exceed in the aggregate $1,500,000. The importation, therefore, under present rates is about one-third of the amount of domestic production and, as shown above, is increasing at a greater pro rata rate than the domestic manufacture of similar products. If American manufacturers could afford to sell their goods at lower prices, it is hardly likely they would have permitted importations to increase at a greater rate than their own business. The domestic producers, however, have not kept their prices up under the protection of a tariff wall, but have been forced to reduce them to the lowest point through foreign competition. A lower duty will seriously curtail American production or compel the sale of goods at a loss.

COMPETITIVE TARIFF.

A 40 per cent ad valorem rate on yarns and woven fabrics is not inimical to the competitive-tariff idea. As seen from the cost comparisons hereinbefore, such rate will not enable the American manufacturer to make a profit before the foreign competitor can enter the field. On the contrary, it will only equalize conditions and allow competition on a fair or equal cost basis.

The Democratic principle, as stated on page 16 of the printed report of the Ways and Means Committee of the House, accompanying H. R. 3321, is:

1. The establishment of duties designed primarily to produce revenue for the Government and without thought of protection.

2. The attainment of this end by legislation that will not injure or destroy legitimate industry.

From this viewpoint alone a duty of 40 per cent ad valorem on yarns and fabrics is warranted. As a revenue producer the 40 per cent rate will be more efficient than the proposed rate. In 1912 the 40 per cent rate on woven fabrics returned revenues to the Government of $38,595.20 (see p. 286, sec. 378, in the appendix to the above report of Ways and Means Committee). The estimated returns under the proposed 20 per cent rate will be only $20,000 (p. 286). The revenues for 1912 from yarns and other products carrying a 25 per cent rate was $60,266. Under the proposed new rate, covering all manufactures of asbestos excepting yarn and woven fabrics, the Government's estimated income will be only $30,000. In each case the revenue is cut in half.

On what theory can this curtailment of revenues be justified? Only upon the theory that thereby the common good is served or the greater portion of the general public is benefited through the enforced reduction of prices to the consumer by reason of the resulting competition. But we have seen (and exhaustive investigation of the subject will confirm the statement) that a reduction in the price of these goods will work no perceptible benefit or advantage to any considerable number of persons or have any appreciable bearing in reducing the present high cost of commodities generally. While on the one hand serving the public no good, yet on the other hand reducing the national income, the new rates will force the American manufacturer to lower his prices to the point where they will "injure or destroy legitimate industry," and this hardship it is the declared purpose of the bill to avert.

Mr. PENROSE. Such, Mr. President, is the condition of an industry which happens unfortunately to be located in Pennsylvania. I shall not offer any amendment to this paragraph as I know it would be useless. Whether the textile products of asbestos, which are most remotely distant from the ultimate consumer and enter into the early preliminaries of articles

which ultimately reach him, more imperatively demand a reduction of duty in order that the consumer may be benefited than does the catgut, from which the strings of the violin are made, in order that the consumer may be entertained with the sweet strains of music, I do not know. I merely call the attention of the Senate to the discrimination and will abide by the result.

Mr. HUGHES. Mr. President, I want to say, in order to ease the mind of the Senator from Pennsylvania, that if there is a catgut-manufacturing concern in the State of New Jersey I do not know of it. I do not know where such a factory is located.

Mr. PENROSE. Everybody knew it four years ago, because those interested in that industry were here all winter, and I think they have been down here during the past winter. They must, of course, have known that the Senator represented the State of New Jersey.

Mr. HUGHES. Probably the atmosphere was more congenial four years ago to those gentlemen. At any rate I have no recollection of having seen them before the subcommittee. The action the subcommittee took was taken with reference to the situation as we found it. We found the law was impossible of fair administration.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 377, page 117, line 25, after the word "bladders," to strike out "catgut or whip gut or worm gut," so as to make the paragraph read:

377. Manufactures of asbestos, bladders, or wax, or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 10 per cent ad valorem; yarn and woven fabrics composed wholly or in chief value of asbestos, 20 per cent ad valorem.

The amendment was agreed to.

Mr. HUGHES. I ask that the next two paragraphs, 378 and 379, be passed over for the present in order to save time.

Mr. PENROSE. I desire to be here when those paragraphs are considered. When does the Senator desire to bring them up?

Mr. HUGHES. I think I shall be able to bring them up to suit the convenience of the Senator. If he wishes to be present when they are considered, I shall try to arrange it in a manner satisfactory to him.

Mr. PENROSE. Does the Senator wish to have them go over simply because they will lead to discussion? Is that the thought?

Mr. HUGHES. No; I want to suggest to the other members of the subcommittee and of the committee certain changes in each of those paragraphs.

Mr. PENROSE. Very well; of course I have no objection to that. I hope the Senator will not call them up in my absence.

Mr. HUGHES. I shall not. I will try to arrange the matter to the satisfaction of the Senator.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 380, page 119, line 9, after the word "Masks," to strike out "composed of paper or pulp" and insert "of whatever material composed"; and in line 10, before the words "per centum," to strike out "20" and insert "25," so as to make the paragraph read:

380. Masks, of whatever material composed, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 383, page 119, line 17, after the word "thereof," to strike out "strings for musical instruments, not otherwise enumerated in this section," so as to make the paragraph read:

383. Musical instruments or parts thereof, pianoforte actions and parts thereof, cases for musical instruments, pitch pipes, tuning forks, tuning hammers, and metronomes; strings for musical instruments, composed wholly or in part of steel or other metal, all the foregoing, 35 per cent ad valorem.

The amendment was agreed to.

Paragraph 384 was read, as follows:

384. Phonographs, gramophones, graphophones, and similar articles, or parts thereof, 25 per cent ad valorem.

Mr. SMOOT. Mr. President, in paragraph 384 the words "and similar articles" are used.

Mr. HUGHES. Those words are in the old law, as the Senator of course knows.

Mr. SMOOT. But the preceding paragraph, paragraph 383, provides that musical instruments or parts thereof shall carry a rate of duty of 35 per cent, while phonographs and similar articles covered by paragraph 384 carry a rate of 25 per cent.

Mr. HUGHES. Does the Senator pretend that a phonograph is a musical instrument?

Mr. SMOOT. If the Senator will wait a moment until I ask him a question, he will then understand what I mean. Take a music box, for example. Is that a similar instrument to a phonograph, or is it a musical instrument?

Mr. HUGHES. I should say that it is a musical instrument and not a phonograph.

Mr. SMOOT. I know it is not a phonograph, but is it an article similar to a phonograph?

Mr. HUGHES. No; I think not.

Mr. SMOOT. Why not?

Mr. HUGHES. I do not know that I am able to give reasons that would be satisfactory to the Senator, but, of course, absolutely different processes are involved in the reproduction of the musical sound.

Mr. SMOOT. If they should both carry the same rate of duty there would be no question about it; but both reproduce sound from a record, and I can not see how the customs officers are going to administer the two paragraphs.

Mr. HUGHES. Of course, the Senator knows that there is a different principle involved in the reproduction of sound by the phonograph and by the music box.

Mr. SMOOT. So there is in the phonograph, in the graphophone, and in the gramophone.

Mr. HUGHES. The same principle is involved in those. They reproduce sounds which have already been made and recorded, while in the other case music is made de novo, if it is music. I am not prepared to say that the sounds which emanate from music boxes are always music, but at any rate they are made over and over again, and the sounds are not necessarily the same, as the Senator very well knows. However, I do not think he ought to call upon me to make an explanation upon a subject about which he knows as much as I do. In the phonograph, the gramophone, and the graphophone the principles involved are entirely different from those involved in music boxes.

Mr. SMOOT. The mechanical workings, Mr. President, are virtually the same. Of course I recognize that the phonograph causes a reproduction of the voice or of music which has been recorded, whereas the music box gives a reproduction of music that has been written, perhaps, for some other musical instrument. It seems to me that if the rates were the same—and I do not see why they should not be the same, and why there should be a distinction—then there would be no conflict whatever, but it does seem to me that if the provision is left as it is now with different rates, then in the administration of the law conflicts will arise.

Mr. HUGHES. I think the Senator, on reflection, will see that there can not be any conflict between a phonograph and a musical instrument.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 120, beginning in line 1, to strike out paragraph 386, as follows:

386. Paintings in oil or water colors, pastels, pen and ink drawings, and sculptures, not specially provided for in this section, 15 per cent ad valorem.

And in lieu thereof to insert:

386. Paintings in oil or water colors, engravings, etchings, pastels, drawings, and sketches, in pen and ink or pencil or water colors, and sculptures not specially provided for in this section, 25 per cent ad valorem, but the term "sculptures" as used in this paragraph shall be understood to include only such as are cut, carved, or otherwise wrought by hand from a solid block or mass of marble, stone, or alabaster, or from metal, and that are the professional productions of a sculptor only, and the term "painting" as used in this paragraph shall be understood not to include such as are made wholly or in part by stenciling or other mechanical process.

Mr. HUGHES. I ask that paragraph 386 be passed over.

The VICE PRESIDENT. Paragraph 386 will be passed over at the request of the Senator from New Jersey.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 388, page 120, line 18, after the word "lead" where it occurs the second time, to strike out "and" and insert ", 36 cents per gross, but in no case shall any of the foregoing pay less than 25 per cent ad valorem"; and in line 20, after the word "pencils," to strike out "all the foregoing," so as to make the paragraph read:

388. Pencils of paper or wood, or other material not metal, filled with lead or other material, pencils of lead, 36 cents per gross, but in no case shall any of the foregoing pay less than 25 per cent ad valorem; slate pencils, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 120, to strike out paragraph 390, as follows:

390. Photographic dry plates or films, not otherwise specially provided for in this section, 15 per cent ad valorem. Photographic film negatives or positives, imported in any form, for use in any way in connection with moving-picture exhibits, or for making or reproducing pictures for such exhibits, including herein all moving, motion, motophotography or cinematography film pictures, prints, positives or duplicates of every kind and nature, and of whatever substance made, 20 per cent ad valorem.

And in lieu thereof to insert:

390. Photographic cameras, photographic dry plates or films, not specially provided for in this section, 15 per cent ad valorem; photographic-film negatives, imported in any form, for use in any way in connection with moving-picture exhibits, or for making or reproducing pictures for such exhibits, exposed but not developed, 4 cents per linear or running foot; if exposed and developed, 5 cents per linear or running foot; photographic-film positives, imported in any form, for use in any way in connection with moving-picture exhibits, including herein all moving, motion, motophotography or cinematography film pictures, prints, positives or duplicates of every kind and nature, and of whatever substance made, 1½ cents per linear or running foot.

Mr. SMOOT. Mr. President, I call the Senator's attention to what seems to me an inconsistency. In line 8 it is provided:

Photographic dry plates or films, not specially provided for in this section, 15 per cent ad valorem.

If the Senator will turn to paragraph 580½, he will find that "photographic and moving-picture films, sensitized and not exposed or developed," are put on the free list.

Mr. President, it has been held that a photographic film ceases to be a film for tariff purposes after it has been exposed or developed; and therefore we find ourselves in the position of having in one place photographic and moving-picture films upon the free list, and in paragraph 390 carrying a duty of 15 per cent ad valorem. I think, if the Senator will look up the case which was decided, he will make a change to cover the point I have suggested.

Mr. HUGHES. I will say to the Senator that I have noticed the apparent conflict, but I am not prepared to say that it is a real conflict. My judgment is that the language in the free list will control. A dry plate is a film on glass. We considered that apparent conflict and left it as it is; but I am not prepared to say that the language could not be improved, and I expected at some time to ask permission to make a change in the phraseology if I should come to the conclusion that it could be improved.

Mr. SMOOT. Then the Senator asks that the paragraph go over for the time being?

Mr. HUGHES. I should like to have the paragraph approved, with permission to return to it for the purpose of changing, if it be thought desirable, that particular phraseology.

Mr. SMOOT. Well, Mr. President, it seems to me if we want photographic dry plates or films to be on the free list, we ought to exclude the words in paragraph 390; and if we want them to carry a duty of 15 per cent, we certainly ought to take them out of paragraph 580½.

Mr. HUGHES. The only trouble in striking out the word "films" and leaving in "photographic dry plates" is that it might put on the free list certain photographic supplies that we do not want to put upon the free list.

Mr. SMOOT. No; the paragraph would then only apply to dry plates. Even if the Senator desires dry plates to remain there, all he would have to do would be to strike out the words "or films."

Mr. HUGHES. I am inclined to think the Senator is right about that. I have had my doubts about the language, and in order to get rid of the paragraph I move now to amend the amendment reported by the committee by striking out the words "or films," with the understanding that we may revert to it and ask that the phraseology may be further changed if subsequently it shall be deemed advisable.

Mr. SMOOT. That is satisfactory.

The VICE PRESIDENT. The amendment offered by the Senator from New Jersey [Mr. HUGHES] to the amendment reported by the committee will be stated.

The SECRETARY. In the amendment of the committee in paragraph 390, page 121, line 8, after the word "plates," it is proposed to strike out "or films."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 391, page 122, line 3, after the words "ad valorem," to insert "meerschaum, crude or unmanufactured, 20 per cent ad valorem," so as to make the paragraph read:

391. Pipes and smokers' articles: Common tobacco pipes and pipe bowls made wholly of clay, 25 per cent ad valorem; other pipes and pipe bowls of whatever material composed, and all smokers' articles whatsoever, not specially provided for in this section, including cigarette-book covers, pouches for smoking or chewing tobacco, and cigarette paper in all forms, except cork paper, 50 per cent ad valorem; meerschaum, crude or unmanufactured, 20 per cent ad valorem.

Mr. LODGE. Mr. President, I desire to call attention to the severity with which this business has been treated. Not only has there been a great reduction in the duty on these articles, but a duty has been added to meerschaum, the raw material. A duty was placed on brierwood for the first time in the Payne-Aldrich law, which led to a very great decrease in the manufacture and sale of brierwood pipes in this country. With a duty on amber and a duty on meerschaum, it will be almost impossible for the manufacturers to continue in business.

The industry employs some 3,000 men. Of course, they are workmen of high skill, receiving from $12 to $50 a week. They have to compete with a great deal of work done in small towns in Europe at very low labor prices. There is no substitute for amber. The imitation amber and imitation meerschaum are both so inferior that they can not be used in the manufacture of articles of high grade.

I merely wish to call attention, as I have said, to the severity with which this particular industry has been treated and to ask leave to print in the RECORD a statement which gives in full detail the difficulties which surround the industry. I will not waste time in asking the Senate to vote upon an amendment to the paragraph, because I know it would be useless; but it seems to me that even if it were an article of luxury we might permit its manufacture. We tax tobacco, which is consumed in the pipes, both by customs and internal taxation, to the limit which it will bear, and now we are putting an additional burden on this industry by imposing a duty on the amber and meerschaum which are used and which have to be imported. I fear it will make it impossible for those engaged in this industry to continue in business.

The VICE PRESIDENT. In the absence of objection, the papers referred to by the Senator from Massachusetts will be printed in the RECORD.

The papers referred to are as follows:

The Underwood tariff bill provides for a duty on raw amber of $1 per pound, equal to about 10 per cent ad valorem. We are engaged in the manufacture in this country of briar and meerschaum pipes. The mouthpieces of these pipes are made of amber. The most of these amber mouthpieces represent about one-third of the entire value of the finished article.

For a long number of years there has been no duty on amber, nor on any other materials entering into the manufacture of smoking pipes.

There is, however, a duty of 60 per cent on the finished article.

Under the Payne tariff bill of 1909 for the first time a duty of 15 per cent was levied on the raw briar wood, whilst the duty on the manufactured article remained at 60 per cent.

The industry of manufacturing pipes in this country now employs about 3,000 persons; of these about two-thirds are skilled laborers, whose wages range from $12 to $50 per week.

The duty of 60 per cent on the finished article does not prevent the importation of pipes in very large quantities. In fact, authentic figures show that there has been a constant increase in the amount of pipes imported into the United States until same now reaches more than 50 per cent of the entire amount consumed yearly.

The imported pipes are manufactured mainly in small towns of France, Austria, and England, where the price of labor is exceedingly low, and lower even than in the larger commercial and manufacturing centers of continental Europe..

The duty of 15 per cent on briar wood, levied for the first time under the Payne tariff bill of 1909 (now proposed to be reduced to 10 per cent), was a serious blow to our industry. Some of the largest factories in New York and elsewhere were forced for the first time in the history of their business to slow down to half time, lasting for months. Their total sales have shrunk largely, whilst at the same time the importation of finished pipes, in spite of 60 per cent duty, have taken on larger proportion than at any time in the history of the business.

The Underwood tariff bill now under consideration, instead of relieving the above-stated unfavorable conditions, is imposing a new and additional duty of $1 per pound on amber and a reduction of 10 per cent on the finished article.

With a duty of 10 per cent on wood and $1 per pound (equal to 10 per cent) on amber, and at the same time a reduction of 10 per cent on the finished article only the importer and foreign manufacturer would benefit, to the serious detriment if not destruction of the entire American industry.

The Payne tariff bill endeavored to justify the placing of a duty of 15 per cent on wood on the ground of protection to the American wood growers in Virginia and other Southern States. Granted this to have been a formidable ground, although it was stated then and proved so since that the American wood is of too poor a quality and therefore not suitable for pipes, no such protection can possibly hold good as regards amber. Genuine amber is not found or manufactured in this country; all of it must be imported from Germany, and therefore there is no home industry to protect.

An article called "bakelite," manufactured in this country by the General Bakelite Co., of New York, has lately been put on the market to substitute amber.

If the duty of $1 per pound on amber has been proposed to protect the manufacturer of bakelite, we respectfully beg to state that bakelite is sold to-day at about one-quarter the price of amber. It therefore needs no further protection, and surely Congress does not mean to protect such a concern to the detriment of all manufacturers using genuine amber.

Very respectfully, yours, EHRLICH & KOPF.

BOSTON, MASS., *June 24, 1913.*

Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

DEAR SENATOR: We duly received your letter of May 12, in answer to ours regarding duty on amber and brierwood pipes, and wish to thank you for the interest you have taken in our behalf.

We now learn that the Democratic members of the Committee on Finance instead of giving us the relief asked for have added another additional duty on our materials, namely, 20 per cent on crude meerschaum.

This material has always been on the free list, since no crude meerschaum is found in this country or any other country except Turkey. It would involve an additional hardship on the manufacturers of meerschaum pipes, and would further, as shown in sworn statement, Exhibit 2, hereby annexed, not only make it impossible to compete with foreign manufacturers, but that it would wipe out the entire industry in this country.

There is an article called "American meerschaum" found in New Mexico and worked by the American Meerschaum Co., of Ogdensburg, N. Y. This, however, is not real meerschaum, and can not be used for real meerschaum pipes, such as we and all other manufacturers in this country are producing.

We had in the meantime answered the interrogatories propounded by the Committee on Finance, and had sent a copy to Senator SIMMONS and Senator LA FOLLETTE, and now inclose copies of these answers to you, to all of which we beg you to please give your earnest consideration and attention so that we may get the relief asked for.

Very truly, yours,

EHRLICH & KOPF.

EXHIBIT 1.

LOWEST ARTICLE WE MANUFACTURE IN OUR FACTORY.

Materials	$3.80
Plus duty *on* brierwood under Payne-Aldrich tariff bill and duty on minor materials and difference in cost of transportation	.55
Total per gross	4.35
Labor do	9.00
Overhead charges do	1.50
Depreciation	.15
Total	15.00

SAME ARTICLE MANUFACTURED IN AUSTRIA AND FRANCE.

Material	$3.80
Labor	2.25
Overhead charges (assuming these charges to be the same as ours; however, most likely less)	1.50
Depreciation	.15
Total	7.70
Plus 60 per cent duty under the Payne-Aldrich tariff bill	4.62
	12.32
Transportation to United States	.13
Total	12.45
Difference in cost of manufacture between Austria and France and United States	2.55

This exhibit illustrates that the foreign manufacturer can sell his article, after paying 60 per cent duty, at our cost price—$15—and make a profit of about 20 per cent.

Does the consumer profit by this difference of 20 per cent in a $15-per-gross pipe?

No. Whether the retailer pays $15 or $18 per gross does not alter his price to the consumer, which for this class of pipe is from 20 to 25 cents apiece, according to the size and style.

EXHIBIT 2.

The cheapest meerschaum pipes which we can manufacture in our factory cost as follows:

Material (meerschaum)	$9.00
Material (amber)	4.50
Total	13.50
Labor	15.00
Overhead charges	1.50
Depreciation	.15
Total	30.15

Same article manufactured in Austria (the only manufacturing center for meerschaum pipes in Europe):

Materials (assuming to cost the same in Austria)	$13.50
Labor	3.75
Overhead charges (assuming to cost the same in Austria)	1.50
Depreciation	.15
Total	18.90
Plus present duty (60 per cent)	11.34
Total	30.24

If a duty is levied as proposed under the Underwood bill and Senate Finance Committee, it would figure as follows:

MATERIALS IN OUR FACTORY.

Meerschaum	$9.00
Senate Finance Committee proposed duty (20 per cent)	1.80
Amber	4.50
Underwood bill proposed duty ($1 per pound on amber, equal to 10 per cent)	.45
Total	15.75
Labor	15.00
Overhead charges	1.50
Depreciation	.15
Total	32.40

MANUFACTURED IN AUSTRIA.

Material (meerschaum)	$9.00
Amber	4.50
Labor	3.75
Overhead charges	1.50
Depreciation	.15
Total	18.90
Plus 50 per cent as proposed under the Underwood bill	9.45
Total	28.35

The above exhibits show that under the Payne-Aldrich tariff bill we were fully protected against foreign competition, but under the proposed duties in the Underwood bill and Senate Finance Committee bill, which would add 20 per cent to the cost of meerschaum materials and $1 per pound (equal to 10 per cent on amber), we would not longer be able to compete. The cheapest article we could produce in meerschaum could be landed here, duty paid, at $28.35 per dozen, whilst the same article would cost us to manufacture $32.40.

In the above exhibit we have assumed that the materials, overhead charges, etc., should cost the European manufacturer exactly the same as it does us. The probabilities are, however, that the European manufacturer can get his materials somewhat less than we have to pay, and also that the transportation of the material to the United States is somewhat greater than to Austria.

We also believe that the overhead charges in Austria are not as great as here, yet, in order to be perfectly fair, we have assumed all of these charges to be the same over here as there.

Does the consumer profit by buying the foreign-made meerschaum pipe in preference to the meerschaum pipe made in the United States? No.

Our legitimate profit in selling the $32.40 meerschaum pipe to the retailer is about 20 per cent, or he would buy our pipe at $39 per dozen. Assuming the European manufacturer sells with the same margin of profit, namely, 20 per cent, the article would be sold to the retailer here at $34 per dozen. The consumer would have to pay at retail $5, precisely the same whether the pipe cost the dealer $3.25 (which would be our price), or $2.83 (which would be the foreign manufacturer's price).

Therefore the only people who would be benefited by assessing the duties as proposed in the Underwood bill and by Senate Finance Committee would be the European manufacturer and importer, to the detriment of the American manufacturer and skilled laborers employed in this industry.

COMMONWEALTH OF MASSACHUSETTS, *Suffolk, ss:*

BOSTON, MASS., *June 3, A. D. 1913.*

Then personally appeared this —— of June, A. D. 1913, before me Arthur A. Sondheim, a notary public in and for the Commonwealth of Massachusetts, Bernard Kopf, of Boston, aforesaid, a copartner and member of the firm of Ehrlich & Kopf, consisting of himself and David P. Ehrlich, who on oath deposes and says that the foregoing answers to the interrogatories propounded to manufacturers by the Committee of Finance of the United States Senate are true.

Before me,
[SEAL.] ARTHUR A. SONDHEIM,
Notary Public.

(My commission expires May 1, A. D. 1919.)

ANSWERS BY EHRLICH & KOPF, OF BOSTON, MASS., TO INTERROGATORIES PROPOUNDED TO MANUFACTURERS BY COMMITTEE ON FINANCE, UNITED STATES SENATE.

1. Brierwood pipes and meerschaum pipes (for smoking purposes).
2. (1) Brier root. (2) Raw amber or amberoid. (3) Raw meerschaum. (4) Various other raw materials of minor import.
3. The raw materials specified under (1), (2), (3) are imported as follows:

The brier root from France, also Italy, Corsica, and Algeria.
The raw amber or amberoid from Germany.
The raw meerschaum from Turkey.

All raw materials used in our product are imported; none are produced or found in this country. Excepting brier root, some of this wood grows in some of the Southern States, but upon test by us was found unfit for use, as the nature of the wood, whilst resembling the briar root and of similar texture, is too soft, and therefore burns out too quickly. No other manufacturer, to our knowledge, uses American briar wood.

4. Raw brier root, per gross, from $3 up.
Raw amber or amberoid from $10 per pound up.
Raw meerschaum, per case, average cost, $165.
5. Same as above; less difference in expense of transportation from port of production to Boston and respective manufacturing centers.
Estimated on percentage, about 6 per cent on brierwood and about 2 per cent on meerschaum and amber.
6. None. Can not compete with foreign countries.
7. No. Are not interested in any other concern exporting this commodity.
8. Can not answer, as we can not compete in foreign countries.
9. Can not answer, as we can not compete in foreign countries.
10. Do not export to foreign countries, as we can not compete.
11. We do not export, as we can not compete.
12. About 12 concerns.
13. William Demuth & Co., New York; Kaufman Bros. & Bondy, New York; S. M. Frank & Co., New York; Manhattan Brier Pipe Co., New York; (ourselves) Ehrlich & Kopf, Boston, Mass.
14. Not to our knowledge. We are absolutely independent.
15. Can not answer; know of no trust or combination.
16. Can not answer, as there is no trust or combination.
17. Prices vary according to quality, grade, and style of each pipe manufactured.

Prices for same quality, grade, and style have not changed materially during 1912 or first four months of 1913.

18. Do not export, as we can not compete.
19. Cost of production in our plant of our product figures in percentage about as follows:

	Per cent.
Cost of materials about	29
Cost of labor do	60
Overhead charges do	10
Depreciation do	1

20. Do not pay a corporation tax.

21. (a)	Skilled laborers	30
(b)	Unskilled laborers	8
(c)	Men	38
(d)	Women	4
(e)	Children	None.
(f)	Native born	10
(g)	Foreign born	32
(h)	Citizens	25

22. Wages paid during 1910–11–12 represent about 60 per cent of the total value of production.

23. Requires special scientific machinery for carving brier root, cutting and bending amber, modeling meerschaum. In use from three to five years.

24. Cost of production in foreign countries for same quality, grade, and style as we produce is about one-half.

25. The difference of percentage of labor cost between the United States of America and respective European countries is about 70 per cent.

This knowledge is derived from our factory manager and from our foreman, who worked in factories in Austria, France, and England, and from inquiries gathered abroad by the deponent, a member of the firm, and is further verified by the fact that the importation of smoking pipes, the finished article, has steadily increased since the Payne-Aldrich tariff bill went into effect in spite of the 60 per cent duty levied thereon.

26. Have not sufficient data to answer positively. We sell to all the principal cities in this country.

27. Cost of transportation from Austria, France, and England to the principal cities of this country would be same as from our factory plus respective freight and steamer charges to port of entry.

28. Under the Payne-Aldrich tariff bill we worked with a loss owing to the duty of 15 per cent on raw brierwood levied for the first time in the history of the business. The 60 per cent levied on the finished article was not sufficient to keep out the foreign-made pipes. The importation has steadily and materially decreased.

ANSWERS BY EHRLICH & KOPF, OF BOSTON, MASS., TO INTERROGATORIES PROPOUNDED BY SENATOR LA FOLLETTE, A MINORITY MEMBER OF THE COMMITTEE ON FINANCE, UNITED STATES SENATE.

1. Brierwood pipes and meerschaum pipes (for smoking purposes).

2. (a) Raw brier root, (b) raw amber and amberoid, (c) raw meerschaum, (d) various other materials of minor import.

3. Do not know.

4. Consumption very much larger than the quantity sold during 1912 by the American manufacturers. With existing plants working at full time the American manufacturer could supply the entire consumption, but we can not compete with foreign product in spite of the 60 per cent duty levied on the finished article.

5. About 12 concerns.

6. Wm. Demuth & Co., New York; Kaufman Bros. & Bondy, New York; S. M. Frank & Co., New York; Manhattan Brier Pipe Co., New York; (ourselves), Ehrlich & Kopf, Boston, Mass.

7. For the lowest priced article which we manufacture, about $1.50 per dozen; for the highest priced article which we manufacture, about $48 per dozen.

8. About one-half.

9. Cost of production in our plant figures in percentage about as follows:

		Per cent.
Cost of materials	about	29
Cost of labor	do	60
Overhead charges	do	10
Depreciation	do	1

10. About one-half.

11. Sixty per cent (in addition to labor cost we have to pay under the Payne-Aldrich tariff bill 15 per cent duty on raw brierwood).

12. Twenty per cent.

13. Have not sufficient data to answer positively. We sell to all the principal cities of this country. Item of transportation is a small one.

14. Cost of transportation from foreign countries to American market would increase on wood about 6 per cent and about 2 per cent on amber and meerschaum.

15. Fifteen per cent on brierwood, 60 per cent on labor.

16. Under the Payne-Aldrich tariff law we made no profit. We worked with a loss, owing to the duty of 15 per cent on raw brierwood levied for the first time in the history of the business.

The 60 per cent levied on the finished article was not sufficient to keep out the foreign-made pipes.

The importation on the finished article had steadily and materially increased since the Payne-Aldrich tariff bill went into effect.

We do not ask for an increase above the 60 per cent duty on foreign product—finished smoking pipes made of brier root or meerschaum—but we do protest against the proposed reduction from 60 to 50 per cent on the finished article, and most earnestly demand the removal of the entire existing duty of 15 per cent on the raw brierwood and the proposed duty of $1 per pound—equal to 10 per cent—on amber.

See Exhibit 1.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed and continued to the end of paragraph 395, on page 122, which is as follows:

395. That there shall be levied, collected, and paid on the importation of all raw or unmanufactured articles not enumerated or provided for in this section a duty of 10 per cent ad valorem, and on all articles manufactured, in whole or in part, not provided for in this section a duty of 15 per cent ad valorem.

Mr. SMOOT. Mr. President, I notice the wording of this paragraph is the same as the present law. The paragraph is designed to take care of all articles not enumerated in the section, but I find that unmanufactured articles carry a rate of duty in this paragraph of 10 per cent, the same as in the present law, while on manufactured articles a reduction has been made from 20 per cent to 15 per cent.

Of course, if the committee have decided upon that, well and good, but I want to call their attention to what happened between the years 1897, when the Dingley law was passed, and 1909, when the Payne-Aldrich bill was enacted. During that 12-year period there fell into that particular paragraph in the Dingley law some 62 articles that were not known at the time of the passage of the Dingley law, in 1897.

I believe, Mr. President, that it would harm no one; but it might be of inestimable value to the future production of articles which may hereafter be discovered and used in all parts of the world.

If the Senator having this schedule in charge has taken that under consideration, I will say no more; but, in my opinion, it will be very much better to have at least the 20 per cent rate on the manufactured articles not enumerated. That certainly would not be a high rate, and it would only fall upon items that we know not of now, but which may in the future be discovered and which we may want to manufacture in this country, and to enable us to manufacture them a duty of at least 20 per cent would be required. I ask the Senator, with that explanation, if he is not of the opinion that 20 per cent would not be too high?

Mr. HUGHES. I will say to the Senator that of course this basket clause, covering articles not enumerated, applies to the whole bill.

Mr. SMOOT. Everything that is not enumerated.

Mr. HUGHES. Everything that is not enumerated; and it does not apply merely to the particular schedule which we have been considering this afternoon and with which I have taken some liberties. I should prefer that the Senator would propound his query to the chairman of the committee.

Mr. SMOOT. I hope the Senator did not think I thought this paragraph applied only to this particular schedule.

Mr. HUGHES. I know that very well, but I wanted other Senators to understand it; and I would rather have the Senator ask the chairman of the committee.

Mr. SMOOT. The chairman of the Finance Committee heard my statement, and I should like to address the question to him.

Mr. SIMMONS. I was not listening to the remarks of the Senator when addressed to the Senator from New Jersey, and I really did not catch the purport of them.

Mr. SMOOT. I was calling the attention of the Senator from New Jersey, as I thought he was in charge of this matter, to paragraph 395. This is a paragraph to take care of all unenumerated articles, both unmanufactured and manufactured. The present law provides for a duty of 10 per cent on unmanufactured articles and a duty of 20 per cent upon manufactured articles not enumerated in the bill. I stated to the Senator that during the years from 1897, the time of the passage of the Dingley bill, to 1909, the year of the passage of the Payne-Aldrich bill, there were some 62 articles that came into the commerce of this country that were not known at the time of the passage of the Dingley bill in 1897. Of course all such articles fell in the paragraph of the present law corresponding to paragraph 395 of the pending bill. Many of these items—in fact, I know of quite a number of them—were manufactured abroad and could have been manufactured in this country, but the 20 per cent duty was not sufficient to enable their being made here.

What I wish to ask the Senator is, if it would not be better, in the case of that paragraph, to leave the duty at least 20 per cent, so that it will take care of such articles that may come into the commerce of the country that are not known to-day? Nearly everything is enumerated; and the very next paragraph is the similitude paragraph, which takes in everything there is, it seems to me, except the articles that may come into commerce that are not known to-day. I do not believe 20 per cent duty will be too much to take care of such articles, and I therefore ask the Senator if he will not change the 15 per cent to 20 per cent.

Mr. SIMMONS. Mr. President, the articles that have come in heretofore under this paragraph, under all of our tariff acts, have been very limited. I find here that in 1897 the total value of articles imported under this paragraph amounted to only $17,562 and the revenue amounted to only $3,512. In the year 1906 the amount that came in was only $13,000 and the revenue only——

Mr. CUMMINS. Mr. President, we are unable to hear the Senator from North Carolina.

Mr. SIMMONS. I was stating the fact that the amount of imports under this paragraph under the Dingley Act had been very, very small. In fact, under all of our revenue laws since 1894 the imports under this paragraph have been absolutely negligible.

Mr. SMOOT. I wish to say to the Senator that the provisions of the paragraph are not supposed to prevent any known article from coming into this country. That is not the object of the paragraph.

Mr. SIMMONS. I understand that.

Mr. SMOOT. If the bill were absolutely perfect, upon its passage there would be nothing imported under the paragraph, because the other provisions of the bill would cover everything.

Mr. SIMMONS. Of course that is obvious, Mr. President. That is self-evident and does not require any statement. An effort has been made by the tariff makers to enumerate every known article, and after several hundred years of experience there are very few articles that are not known and enumerated. Most of the imports under this section would be of new things, of undiscovered things. Then of course we have the next paragraph, which is generally spoken of as the similitude paragraph.

Mr. SMOOT. I have referred to that.

Mr. SIMMONS. That prescribes a duty for articles of similar character to those upon which duties are imposed. We have reduced to the minimum the number of things that may come in under this paragraph. The Senator says 20 per cent is the duty prescribed in the present law. I find that 20 per cent is the duty that has been prescribed in every act beginning with 1894.

Mr. SMOOT. I believe that is true, Mr. President.

Mr. SIMMONS. Yes; that is true. That is the duty that has been prescribed in the various acts that carried high protective duties.

Mr. SMOOT. No; the Senator is mistaken.

Mr. SIMMONS. The 20 per cent duty applied to the Wilson bill also, I think.

Mr. SMOOT. But I wish to say to the Senator that the rate in this paragraph is not a protective duty.

Mr. SIMMONS. Then why does the Senator want it increased, if it is not a protective duty?

Mr. SMOOT. I will tell the Senator why. Of course we do not know what new articles of commerce may be discovered. What I did say was that I thought if a 20 per cent duty were provided we would have a better chance to take care of such articles.

Mr. SIMMONS. I understand by that term that the Senator means a better opportunity to protect them. If he does not mean that, I do not know what he does mean.

Mr. SMOOT. I would not say that a rate of 20 per cent would afford very much protection on such articles.

Mr. SIMMONS. I do not wish to take much time about this matter, Mr. President. I was going to say that under the Dingley Act and under the Payne-Aldrich Act the rate upon these unenumerated manufactured articles has been placed at 20 per cent. In this bill we are radically reducing the rates of those acts. I think it is entirely logical, when we come to this paragraph, which is a sort of basket paragraph that catches everything that we do not know anything about and are not able to designate eo nomine, that we should make some slight reduction. I do not think it is a matter of much consequence one way or the other. For the last 20 years there have not been any considerable imports. They are absolutely negligible, and the revenue is absolutely negligible. I think the rate of 15 per cent conforms to and is in harmony with the rates we have prescribed in the bill, and I am not disposed to agree to any increase in the rate.

The reading of the bill was resumed, and the Secretary read to line 12 of paragraph 396, page 123, as follows:

396. That each and every imported article, not enumerated in this section, which is similar, either in material, quality, texture, or the use to which it may be applied, to any article enumerated in this section as chargeable with duty, shall pay the same rate of duty which is levied on the enumerated article which it most resembles in any of the particulars before mentioned; and if any nonenumerated article equally resembles two or more enumerated articles on which different rates of duty are chargeable, there shall be levied on such nonenumerated article the same rate of duty as is chargeable on the article which it resembles paying the highest rate of duty; and on articles not enumerated, manufactured of two or more materials, the duty shall be assessed at the highest rate at which the same would be chargeable if composed wholly of the component material thereof of chief value; and the words "component material of chief value," wherever used in this section——

Mr. LIPPITT. I wish to call the attention of the chairman of the committee, and particularly of the Senators who have the three or four textile schedules under their charge, to the fact that at this point in the bill there is a definition of the words "component material of chief value." At an earlier period of the discussion I pointed out the great inconsistencies which ran through all the tariff schedules in the use of this phrase, "component material of chief value," and other phrases which I presume were intended to be synonymous with it.

The phrase "composed in whole or in part" frequently alternates during sections with this expression, "component material of chief value." As I have pointed out before, the inference is that one means something different from the other; or if both mean the same thing, I think it is very important, for the purpose of avoiding litigation, that the language of those four schedules—I am speaking now of the cotton, silk, wool, and flax schedules—should be made so that the different parts of each may conform one to another. In all there are six different phrases in those four schedules that are used to express the same idea.

I wish to call the matter to the attention of the Senators in charge of the bill. It has nothing to do with the rates, but it has a great deal to do with the amount of litigation that is apt to go on under the bill after it becomes a law.

Mr. SIMMONS. I do not know that I altogether understand the Senator. Does the Senator suggest that we ought to define, in this section, the exact meaning of all of those phrases, such as "in whole or in part," as we have defined here the phrase "component material of chief value"?

Mr. LIPPITT. No; that is not what I mean. I mean that in the silk schedule, as an illustration, in some places it says "an article of which silk is the component material of chief value," and a few lines farther on it will say "an article composed wholly or in part of silk," or "wholly or in chief value of silk." The idea, I presume, is that the words "wholly or in chief value"——

Mr. SIMMONS. Does the Senator see much difference between the meaning of that phrase and this phrase?

Mr. LIPPITT. I should like to ask the Senator from North Carolina if there is any difference?

Mr. SIMMONS. At first blush I do not myself see very much difference in the meaning, although there may be a difference.

Mr. LIPPITT. I think it is intended that the terms should be synonymous, and should mean the same thing.

Mr. SIMMONS. That is my impression.

Mr. LIPPITT. They are undoubtedly intended to mean the same thing; but it is manifest that if in one place you use one set of words to describe an idea and two or three or four lines farther on you use another set of words to describe exactly the same idea, a critic coming to examine the bill will naturally infer that there is some different meaning; otherwise you would not have changed your language.

I wish to say to the Senator that in the past little variations in expressions of that kind have led to an enormous amount of litigation. This bill is going to be examined by very expert customhouse lawyers on the date of its passage. In fact, it is now being examined by them, and whether or not those two phrases will mean exactly the same thing after they have been exposed to the very technical interpretation of the courts is certainly a matter of doubt.

I am only suggesting this to the Senator as a means of perfecting his bill. Manifestly, if he means the same thing all the time, and expresses it in the same language, there can be no misinterpretation of it. But if he uses six different expressions to convey a single idea there is great probability that there will be different interpretations put upon them.

Mr. SIMMONS. Have not all our tariff bills, and especially the existing law, used these terms repeatedly, all through them, as interchangeable and synonymous terms?

Mr. LIPPITT. No, sir.

Mr. SIMMONS. Especially the two to which the Senator has referred, "in whole or in chief value" and "component material of chief value." Are not those two terms used very frequently in the present law?

Mr. LIPPITT. I think they are not. I think there is only one expression used in the present cotton schedule, and that is "component material of chief value." I think that expression is used all the way through the cotton, wool, and flax schedules.

When it comes to the silk schedule, which was rewritten in its form in the present law, the Payne-Aldrich law, and probably written by some different hands or different minds that did not have the usual expressions well in mind, in that schedule there is used for the first time, I think, as I read over it hastily, the expression "composed wholly or in chief value." In all the previous schedules, if my recollection is correct, the words "component material of chief value" are used. Certainly they are used for the greater part of the time.

Mr. SIMMONS. If the Senator will pardon me, I think where we have used the one term or the other we have in almost every instance been following out the language of the old law. While we have changed rates in this bill, we have conformed our language very largely to the present law, except as to rates, where there was no change in principle. I think we were wise in doing that, because the terms used in our tariff laws, where they have involved any ambiguity or uncertainty, have been

the subject of construction by the courts and by the appraisers, and the meaning of the words has been defined.

I think the Senator will find that we have not violated the rule of uniformity to which he has appealed any more than the old law has done so. I think he will find that where we have used one phrase instead of the other, we have generally done so in pursuance of the form of the old paragraph.

We are discussing this matter, not in a controversial spirit, but both of us with a desire to perfect the bill as best we can. I wish to say to the Senator if he will point out any instance in which uncertainty and doubt may grow out of the use of any improper term as he sees it, we shall be very glad indeed to consider it.

Mr. LIPPITT. I was not bringing up the matter for any other purpose than for the purpose of having the bill as perfect as possible.

Mr. SIMMONS. I have not imputed to the Senator anything but the very best motives in bringing it up.

Mr. LIPPITT. If the Senator will turn to page 78——

Mr. SIMMONS. I should not care to have the Senator call my attention to it now; but if he will examine the provisions to which he has reference and call my attention to them, I shall be very glad indeed to take up the matter for consideration.

Mr. LIPPITT. I should like to say to the Senator that this is the third time I have called the attention of Senators on the other side to this matter, which, to my mind, is a very glaring inconsistency and, without meaning any insinuation, a great imperfection in the bill. I had hoped there would have been some consideration given to it and some change made in it.

Mr. SIMMONS. I think the Senator spoke to me privately about it yesterday, and I think I assured him that if he would make a memorandum of the matter and submit it to me I would take it up and look into it.

Mr. LIPPITT. No; I meant by saying "the third time" that it is the third time I have called the matter to the attention of Senators on the other side in public on the floor. I shall be glad to submit it to the Senator, however.

Mr. SIMMONS. The Senator understands that I would not like right here on the floor, without any opportunity to consider the matter, to settle a question of that sort. I simply ask that he will make a memorandum of it and let me have it.

Mr. LIPPITT. I did not expect the Senator to do so. I was only trying to impress it upon his attention.

Mr. PENROSE. Mr. President, does the chairman of the committee intend now to proceed to the consideration of the income-tax provision?

Mr. SIMMONS. That is the desire of the committee.

The VICE PRESIDENT. The reading of this paragraph has not yet been completed.

Mr. SIMMONS. That is true; we have not yet finished this paragraph.

Mr. PENROSE. Before we leave the tariff schedules I should like to call attention for about two minutes to some matters I have here.

Mr. CUMMINS. If the Senator will yield to me, I desire to say that before we pass to the income-tax provision I have an amendment which I desire to offer to the bill, the proper place for which is immediately following the free list. I am prepared to do it as soon as the Senator from Pennsylvania has concluded.

Mr. SIMMONS. We have not yet quite finished Schedule N, I believe.

Mr. CUMMINS. I believe not. I shall wait until the schedules are concluded.

Mr. PENROSE. Then, if I may be permitted, I will introduce the matter to which I referred when this schedule is closed. I thought we had completed it.

The VICE PRESIDENT. The Secretary will conclude the reading of paragraph 123.

The reading of the bill was resumed, and the Secretary read as follows:

Shall be held to mean that component material which shall exceed in value any other single component material of the article; and the value of each component material shall be determined by the ascertained value of such material in its condition as found in the article. If two or more rates of duty shall be applicable to any imported article, it shall pay duty at the highest of such rates.

Mr. PENROSE. Mr. President, I have on my files a very large number of letters sent to me by different people in Pennsylvania and other parts of the country, showing how the foreign manufacturer is preparing under the pending bill to enter the American market just as soon as the bill becomes a law. I shall not cumber the RECORD or detain the Senate by producing for the consideration of this body or for future reference too many of these communications, but I have here three which I should like to have embodied in the RECORD at this point.

One is from Donisthorpe & Co. (Ltd.), of Leicester, England, and is as follows:

DONISTHORPE & CO. (LTD.), WORSTED, MOHAIR, LAMB'S WOOL, MERINO AND COTTON YARNS,
Leicester, May 20, 1913.

Messrs. SIMONS & STRUVE HOSIERY CO.

DEAR SIRS: If you will be interested in importing yarns when your tariffs have been reduced we shall be very pleased indeed to answer any inquiry you may intrust us with, or, better still, if you will kindly send us a small sample of any particular line which you are using and wish to import we shall be pleased to match same and quote our keenest prices. We trust to be favored with your esteemed commands in the very near future and beg to remain,

Yours, very truly,

DONISTHORPE & CO. (LTD.),
A. COLTMAN.

This is a letter indicating the prospects in front of the hosiery people.

I have another letter here from Betts & Co., No. 1 Wharf Road, City Road, London, describing themselves on their letterhead as "The largest makers of bottle capsules in the world." It is as follows:

REDUCTION IN TARIFF.

BETTS & CO. (LTD.),
London, N., May, 1913.

DEAR SIRS: We have previously quoted on your requirements of bottle caps, but up to now have not been successful in obtaining a share of your business.

The bill before Congress provides for a considerable reduction in duty, and for this reason you may be holding up your orders until the new tariff becomes law. Please note, however, that on orders placed with us before the new tariff is in force, but shipped after it becomes operative, we shall give a rebate in price proportionate to the saving in duty.

There is accordingly, no reason to delay ordering even for forward delivery, and the advantage of ordering forward is that such orders will be proceeded with awaiting shipping instructions, thus insuring prompt shipment when you are in need. If, however, orders are not sent until after the new tariff becomes operative, there is likely to be such a demand as to make prompt delivery almost impossible.

Yours, very truly,

BETTS & CO. (LTD.),
J. POPPLE.

Mr. MARTINE of New Jersey. I should like to inquire just what particular industry these gentlemen were engaged in?

Mr. PENROSE. Caps for bottles.

Mr. MARTINE of New Jersey. I thought it was a medicine.

Mr. PENROSE. The Senator is familiar with the industry. The factories are found in New Jersey and eastern Pennsylvania and all over the eastern part of the country—small, active industries producing an article of general use.

Mr. MARTINE of New Jersey. We disagree sometimes as to the brand. Some use the caps and others the other kind.

Mr. PENROSE. Others prefer the cork. [Laughter.]

Mr. MARTINE of New Jersey. The Senator's heart and mine beat in unison.

Mr. PENROSE. Here is another letter from Germany. Dr. Heinrich König & Co. write this letter:

LEIPZIG-PLAGWITZ, *July 11, 1913.*

LEVYTYPE CO., *Philadelphia.*

GENTLEMEN: We are informed that for the new tariff a considerable reduction is under consideration as to the duty for chemicals to be imported into your country.

We therefore take the liberty to draw your special attention to our chemical products for engraving purposes as named hereafter:

Perchloride of iron, cyanide of potassium, asphalt in finest powder, collodion, iodine, chromium salts.

Will you be good enough to favor us with your inquiries, stating at the same time the quantities you require. We have no doubt that our prices will lead to business, and looking forward to your kind and favorable reply, we are, gentlemen,

Yours, truly,

DR. HEINR. KÖNIG & CO.,
Gesellschaft mit Beschränkter Haftung.

I could produce many hundred letters if necessary.

Mr. MARTINE of New Jersey. I think I can recall without a very far reach of memory when a medicine or tonic that is used much in this country bore a most inordinate tariff. I can not now just recall the rate, but the general trend of public thought was that it was a grave abuse, and the Democratic Party insisted that it should be put upon the free list. I recall very well, since the Senator cites Philadelphia—I think it was about 18 years ago—what a howl went up from the Commonwealth of Pennsylvania, particularly from the city of Philadelphia and from a great firm of manufacturing chemists, that if this article was put on the free list it would be ruination.

Mr. PENROSE. To what article does the Senator refer?

Mr. MARTINE of New Jersey. The article was quinine. I think it was sold for about $5 an ounce. I am corrected. I am told that it was sold for $4.84 an ounce. It was put upon the free list. We were told that the people in the low latitudes would shake themselves to death with fever and ague because we would have no quinine to counteract it if we put that article on the free list. But, notwithstanding that claim, it was put on

the free list and it is now sold for about 45 cents an ounce instead of $4.84 an ounce.

How well I remember the calamity howl of that day. It was a fact that if you had occasion to buy quinine you could go into a drug store and all you could get for half a dollar you could put inside of a lady's watchcase and put the crystal down without harming the crystal or the article put beneath it. But we put it on the free list and now it will almost take a nail keg to contain the quinine you can get for half a dollar. [Laughter.] That is, I know, a slight exaggeration.

What I desire to say is that the industry of the manufacture of quinine in Philadelphia has prospered beyond compare and that the firm of druggists in Philadelphia, Powers, Weightman & Co., who said that they were going to be driven out of existence, to-day have multiplied their concern and have made most fabulous wealth, and the people at the same time have that commodity correspondingly cheaper.

So I think when our friend from Pennsylvania tells these stories of what is to come we can simply cite the question of free quinine out of the desolation and ruin and sadness pictured for the general industries that we have had.

Since the Senator has been so much inclined to read I believe I will do a little reading. Some one said the other day when the Senator and I got into a little controversy that it seemed like a frame up. It does seem a little like a frame up. I want to say that I happened to pick up the New York Tribune of to-day, and rather than cut it out and mutilate the paper, since it came from the Secretary's office, I copied it. As I said before it is on our file. On August 26 the New York Tribune says:

Fall River Iron Works plant employing five to seven thousand hands goes into operation to-day after a shutdown of 15 weeks.

I trust the Senator from Pennsylvania will listen. Of course this comes from the Commonwealth of the Senator from Massachusetts [Mr. WEEKS]. I also read from the Tribune of to-day showing that there was no need of protection of the great iron industry of Pennsylvania, which has been fattened and favored so liberally in years past. I quote also from the Tribune, showing no need of protection here:

Forty-five cars leave Bethlehem, Pa., to-day with an iron mill costing $2,500,000, made by the Pollock Co., of Youngstown, Pa. This is a modern 500-ton blast furnace complete. It will be erected at Newcastle, New South Wales, Australia.

We have been told right along that we needed this tariff in order to compete with foreign countries, and here we see that the sales go right along.

Mr. LODGE. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Massachusetts?

Mr. MARTINE of New Jersey. Certainly.

Mr. LODGE. I desire to ask the Senator did I understand him to refer to the Fall River Iron Works?

Mr. MARTINE of New Jersey. This is the quotation:

The Fall River Iron Works' plant, employing five to seven thousand hands, goes into operation to-day after a shutdown of 15 weeks.

Lest the Senator may doubt it, I will let a page go and get the Tribune of to-day.

Mr. LODGE. It was not that. I wanted to ask the Senator if he referred to that as an indication that the iron trade is improving.

Mr. MARTINE of New Jersey. They manufacture textiles as well, do they not?

Mr. LODGE. They do.

Mr. MARTINE of New Jersey. I do not care whether——

Mr. LODGE. They manufacture nothing but textiles.

Mr. MARTINE of New Jersey. All right; I read what it said. I suppose it assumed that everybody knew. I am not so well versed in Massachusetts, but I do not care whether it was the iron industry or the textile industry; I only quote it to show that with all the stories of woe and misery and general prostration of industries, the facts do not warrant them.

The Senator from Pennsylvania is now telling us of the letters he has and the half dozen he wants to read. I have one here that I have held for a day or two, and I want to present it now. It says.

FALLS, PA., *August 6, 1913.*

Senator MARTINE,
United States Senate, Washington, D. C.

DEAR SIR: I read with interest your—

The first paragraph amounts to nothing, but I will read it all—

I read with interest your discussion yesterday with Senator PENROSE regarding business conditions in Pennsylvania, and am surprised that our Senator should deliberately attempt to depress and ruin the business of his own State.

I have traveled Pennsylvania for 10 years and have never had the business I have had this spring season, and the last two weeks were the biggest of any two of the year. Other salesmen report the same, and the universal report of the merchants is the heaviest they have ever had, and that it is keeping up right now in the usual dull season. I have heard of no "shutdowns" or rumored "shutdowns," but, on the contrary, that help is scarce and impossible to get.

In 1908, when the panic was on, we were told not to discuss hard times, not to talk the poor conditions of one town in another; but now, when all is going along better than ever, the business world is disgusted with the calamity howlers in Washington.

This town of New Castle, Pa., where I am at this writing, a steel and tin-plate town, was never more prosperous than now.

Yours, respectfully,

LEWIS EVITTS.

My friend said there was no name to the one I had here the other day, but this one is signed Lewis Evitts and it is from New Castle, Pa.

Mr. PENROSE. Will the Senator permit me——

Mr. MARTINE of New Jersey. Certainly.

Mr. PENROSE. I am glad this communication is signed.

Mr. MARTINE of New Jersey. It is better than yours was on Spreckels the other day.

Mr. PENROSE. I am not acquainted with the gentleman who has signed it, but I will investigate his character and standing and advise the Senator as to how much credit should be given to his communication.

I may state, however, in this connection that New Castle, in Lawrence County, is on the extreme western border of Pennsylvania. I do not pretend to say that this tariff legislation has seriously affected that section of the country yet.

The result of the agitation is most seriously and certainly definitely felt in the textile industries and in many of the metal industries in the eastern seaboard section of Pennsylvania and of the United States. I have already said that when you are talking about a territory some 400 miles in extent it seems hardly fair to quote a witness who is 400 miles from the point affected.

Mr. MARTINE of New Jersey. I realize——

Mr. PENROSE. How far this gentleman is an authority I do not know, but I will try to find out. It may be that the result of my investigation will indicate that the Senator would have been better off with an anonymous communication. He may find a Democrat hunting a post office.

Mr. MARTINE of New Jersey. I do not know whether there is a Democrat hunting a post office in Pennsylvania. That has not been the case in its past history under the good partisan management of the Senator. Owing to the great influence of the Senator from Pennsylvania, entirely commensurate with the magnificent area of his State, I still feel that the boundless world is his; but I want to know how he explains the Fall River business, how he can explain the way these iron mills are sending out machines, and all that amidst this picture of gloom and general prostration.

Mr. LIPPITT. When the Senator from New Jersey refers to the concern in Fall River, does he mean to emphasize the fact that it has been stopped for 15 weeks, or does he mean to emphasize the fact that it may start up for awhile?

Mr. MARTINE of New Jersey. I simply said that which the New York Tribune states. Oh, heavens, how you rolled the words, "the New York Tribune," as a sweet morsel under your tongue years ago. I have only been stating what the New York Tribune says, but for fear that the authority may not be just what the Senator from Pennsylvania [Mr. PENROSE] and the Senator from Rhode Island [Mr. LIPPITT] want, here is another sort of an adjunct to the Republican Party for a great many years, the New York Times. I send it to the desk and ask the Secretary to read the portion I have marked. It is on the effect of the tariff revision on the business outlook.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

Mr. MARTINE of New Jersey. I have had this matter for some time, and I would not have inflicted it on the Senate, but I declare I can not help it; it is too good since the Senator from Pennsylvania moved out with fresh evidences of prostration, degradation, misery, and woe.

The Secretary proceeded to read the article, and was interrupted by—

Mr. SIMMONS. I wish to ask the Senator from New Jersey if he will not consent to have the balance of the article printed in the RECORD without reading?

Mr. MARTINE of New Jersey. If it is the pleasure of the Senate, I am quite willing to do so. I have no desire to take up the time of the Senate. I realize as much as the Senator from North Carolina the necessity of moving on, but I did feel that there should be some antidote furnished for the poison used by our friend the Senator from Pennsylvania in holding up a picture of holy horror.

The matter referred to is as follows:

FACTS OF THE BUSINESS OUTLOOK.

Some think that Congress has done its best to kill prosperity and some think Congress has done its worst, which may be another way of saying the same thing. What those of the differing ways of thinking

ought to consider is not their differences of opinion, but the facts in the case. And the fact is that all records are broken for the facts of trade under such conditions as those now existing regarding legislation. We published yesterday a Chicago dispatch, quoting leading men of business and such bankers as Mr. Forgan, to the effect that business is good and improving, regardless of the money market and what Congress is doing or not doing. We published also the testimony of a representative of Claflin & Co. to the effect that there is no complaint of the buying for the fall season. It is the buyers' business to know what the quality of the selling will be. Goods are scarce, and buyers must take them while they can get them, because later on there will be greater scarcity, unless there is such activity in production as will cause the wage earners to rejoice.

There was published on Monday the official statement of the goods piled up in bonded warehouses awaiting release under the new rates of duty. There are $106,000,000 worth, and calamity hunters may think that spells prostration of manufacture. It can only spell that for the present moment. Looking ahead, it spells corresponding activity. Materials of manufacture are not accumulated for fun nor to put into cold storage indefinitely. Those materials are imported to be turned into goods for sale, and the larger the quantity the larger the demand for labor and the stronger the testimony to the importers' belief that it is going to be worth while to make the materials into the finished goods.

Raw wool to the amount of 20,000,000 pounds is among these warehoused materials. That may or may not mean misery for the few producers of wool. It certainly means work for the makers of wool goods and lower prices for the wearer of the domestic product. The proof of this is the fall price lists. The American Woolen Co., the leading producer, is not reducing wages, but is reducing its prices by 10 per cent or more. A typical product is priced $1.12½, or cheaper by 17½ cents. The United States Worsted Co. follows this lead by a reduction of 10 to 20 cents a yard. It is plain that there is to be domestic competition for the foreign goods, quite as surely as the lamented competition of the foreign with the domestic. There are $3,000,000 of foreign linens waiting to "flood" this market. Buyers of linen will hardly bewail that fact, and the makers of the goods which will be sold to pay for the linens—since they will not be given to us—can see work and wages as plainly as the heads of households can see cheaper supplies of what they could hardly afford under the higher protective schedules.

It is true that it is possible to collect instances where weak domestic producers are taking advantage of the tariff agitation to make exculpatory explanation of their embarrassment. But that is not the general temper. Our efficient producers are going to take a great deal of beating before they succumb to the stress of meeting the foreign produce on their own ground. For example, here are the words of Mr. William M. Wood, president of the American Woolen Co., on his return from abroad:

"I understand that wool has finally been put on the free list. I can not say what the attitude of woolen manufacturers as a body will be, but for my part I will say that I will endeavor to run my factory in accordance with the terms of the law. We have the best equipped woolen mill in the world, and I see no reason why we should not be able to produce woolen fabrics as good as any produced elsewhere. The higher cost of labor in this country necessarily makes the cost of production higher, but I think even with free wool and a moderate tariff on the manufactured article of, say, 30 per cent to 40 per cent, we will be able to successfully compete with foreign manufacturers."

This is a survey of the most contentious part of the business outlook. When the survey is limited to existing conditions they seem even better. The Wall Street farmers are bewailing the crops, but the nearer the observer get to the fields the better the prophecy. For example, the Chicago Continental & Commercial Bank has just made a crop examination for itself, and finds 9,000,000 bushels more of growing wheat than last year, a bumper crop, in fact, with 30,000,000 of last year's yield in elevators. "There are over and above the domestic need 170,000,000 bushels, and for the second consecutive year the United States becomes a heavy exporter of wheat." Only recent damage has prevented the growing corn crop from being a record. As it is, the prospect is for 2,800,000,000 bushels, against a 10-year average of 2,670,000,000. To this must be added old corn to a total of 400,000,000 bushels above last year's reserves in supply at this time. It is possible that a larger supply of corn might be a disguised blessing. Of hay there promises to be a billion dollars' worth, and hay is as important as hens in the farmers' economy. The bank thinks there will be a million more bales of cotton this year than last, or 14,700,000.

To gild this glowing prospect, it is only necessary to add that yesterday's report of foreign trade puts it at a trifle of $4,275,000,000, or $421,000,000 over the preceding year. Of the exports the farmers' share was $181,693,263 against $99,659,025 the year before. Yet the farmer outshrieks the manufacturer ruined by the wicked tariff reformers.

Mr. SMOOT. Mr. President, I listened to the speech of the Senator from New Jersey and the wonderful story he told about quinine with a good deal of pleasure. After he made that statement I ran back over the tariff acts to find out when quinine was put upon the dutiable list. I understood the Senator to say that it was done about 18 years ago.

Mr. MARTINE of New Jersey. I think 18 or 20 years ago.

Mr. SMOOT. I find that in the act of March 3, 1883, it was on the free list. I find that in the act of October 1, 1890, it was on the free list. I find that in the act of 1904 it was on the free list and in every act since that date. So I suppose the Senator must have been mistaken and he only imagined that he heard that cry.

Mr. MARTINE of New Jersey. No; the Senator will not deny that quinine was dutiable.

Mr. WILLIAMS. There is hardly a child in the South who does not know that about 1888 or 1889, somewhere along there, quinine, which was on the dutiable list, was placed on the free list. When that was done Powers, Weightman & Co. and all the other great manufacturers of quinine swore that you would ruin the entire quinine industry in the United States. Notwithstanding that, it was put on the free list, and it was put on the free list by a bill introduced by McKenzie, of Kentucky, who was known for that reason as Quinine McKenzie. Prior to that time the price was $4.84 an ounce, and some time after that it went down to eighty-odd cents an ounce.

Mr. MARTINE of New Jersey. And now it is 45 cents an ounce.

Mr. SMOOT. I do not take the word of the Senator from Mississippi nor of the Senator from New Jersey, nor do I want them to take my word. Here is the act of March 3, 1883, and it is on the free list, paragraph 2503, and here is the sulphate of quinine.

Mr. WILLIAMS. I may have gotten 1883 mixed up with 1888; but I remember——

Mr. MARTINE of New Jersey. I am frank to say that I remember the circumstance very well.

Mr. WILLIAMS. I understood the Senator to say that it was on the free list in 1833.

Mr. SMOOT. I did not make any such statement.

Mr. WILLIAMS. I thought he did say 1833 and followed it down and substantially denied that it had ever been taxed, that it always had been on the free list, as I understood him.

Mr. SMOOT. Mr. President, the Senator says that I said that quinine was free under the act of 1833. There was no such act in 1833. I never mentioned any such act. I mentioned the fact that the act of March 3, 1883——

Mr. WILLIAMS. Ah!

Mr. SMOOT. Then I mentioned the act of October 1, 1890, and stated that it had been free in every act since, and I know that I am right.

Mr. MARTINE of New Jersey. The Senator from Utah, I think, will not deny the fact that quinine was dutiable at a time about 18 or 20 years ago.

Mr. SMOOT. I have gone back to 1883 and it has been free ever since that.

Mr. MARTINE of New Jersey. I will not attempt to fix the date, but I recall the circumstance very well. The Senator from Mississippi referred to McKenzie. I remember very well having read that they called him "Quinine Jim" for years and years on account of his fight for free quinine. Whether it occurred just 18 or 20 years ago or 16 years ago I do not care, the facts are the same that the same picture of disaster was held up then that is held up now. I think the Senator from Massachusetts [Mr. LODGE] will remember the fact.

Mr. SIMMONS. I hope we may now proceed with the bill.

Mr. LODGE. Mr. President, I did not rise with any intent of engaging in the quinine controversy. Quinine has been on the free list ever since I can remember——

Mr. WILLIAMS. If the Senator from Massachusetts will pardon me just a moment——

Mr. LODGE. Ever since I can remember—I was going to finish the sentence—anything about tariff laws.

Mr. WILLIAMS. The Senator can certainly remember as far back as 1883.

Mr. LODGE. That was the first tariff——

Mr. WILLIAMS. Was the Senator in the House of Representatives at that time?

Mr. LODGE. No; I entered the House of Representatives in 1887.

Mr. WILLIAMS. It was shortly before you entered the House.

Mr. LODGE. I know about the tariff of 1883, because it was a Senate tariff that was substituted.

Mr. WILLIAMS. The Senator from New Jersey made a mistake in his dates, that is all.

Mr. LODGE. For 30 years and more it has been on the free list in the tariff law. I do not remember how long, and I think it is better to look at the statutes than to trust to memory.

The Fall River Iron Works, which is a very large establishment, operating under a charter nearly a hundred years old, were shut down for 15 weeks, which was a very serious blow to Fall River at the time. It was the public understanding—I have not made inquiry about it—that they were shut down on account of uncertainty in the outlook in the cotton industry owing to pending legislation and unwillingness to accumulate a great stock of goods. I had no idea it would remain continuously shut down, but a shutdown of 15 weeks of that great mill is a very serious thing to Fall River no matter for what purpose it was done.

Mr. President, I want to ask, before we leave the tariff portion of this bill, that I may have printed some letters which I meant to have printed yesterday when we were on the free list, but we took it up rather unexpectedly, and I omitted to ask then that they be printed. One is a brief letter in regard to the placing of blankets on the free list in paragraph 427½; another is in regard to tacks; and another relates to the

placing of sewing machines on the free list, which will do no harm to the great Singer organization, but will be severe upon all the independent companies. I shall not, however, offer amendments, because I know it is entirely useless and only takes the time of the Senate in needless votes; but I ask that these three statements be published in connection with my remarks.

The VICE PRESIDENT. Without objection, the letters will be printed in the RECORD.

The letters referred to are as follows:

BOSTON, *July 23, 1913.*

Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

DEAR SIR: As manufacturers and selling agents for blanket mills, we wish to protest against the following item going on the free list, Calendar 62, H. R. 3321 (p. 130, No. 427½):

"Blankets composed wholly or in chief value of wool, valued at less than 40 cents per pound."

This item, if placed on the free list, will do a great deal of harm, both to the manufacturer and mill employees.

The principal reason of objection is that we pay 60 to 100 per cent more wages here than is paid in Great Britain, as the following table will show:

Average full-time earnings 55.6 hours.

		United States, average weekly earnings.	Great Britain, average weekly earnings.
Woolsorters	male..	$12.38	$7.22
Wool washers, scourers, driers	do....	8.21	4.93
Card strippers and tenders	do....	7.81	5.45
Wool spinners (mule)	do....	10.40	5.98
Warp dressers	do....	12.94	6.53
Woolen weavers	do....	10.63	6.21
Do	female..	10.54	3.83
Burlers	do....	6.15	3.20
General laborers	male..	8.21	4.74

These figures are quoted from the report of the Tariff Board, volume 3, page 286.

Now, if blankets, as quoted on page 130, No. 427½, should come in on the free list and we pay 60 to 100 per cent more for our labor than does Great Britain, as far as we can see, it would mean, if the manufacturer wants to retain his trade, that he would have to reduce the wages of his employees, and we would strongly urge upon your honorable body the crossing off of item No. 427½, on page 130, as blankets on Schedule I, page 82, which are cotton blankets, and Schedule K, page 88, which are wool blankets, rated at 25 per cent ad valorem, covers all kinds of blankets, and we trust you will use your influence against this item, namely:

"Blankets composed wholly or in chief value of wool, valued at less than 40 cents per pound."

Yours, very truly,

THOMAS KELLY & Co.

—

FAIRHAVEN, MASS., *December 28, 1912.*

Hon. HENRY CABOT LODGE,
United States Senate, Washington, D. C.

SIR: At a recent conference of the manufacturers of tacks and small nails relating to the proposed new tariff bill it was shown that any further reduction of the duty on this class of products would result in very great hardship to the manufacturers of this country, and in all probability in the importation of foreign goods to an extent which would put many of those exclusively engaged in that line out of business, or compel a reduction in wages, which does not seem desirable, feasible, or even possible.

It became evident that even in the tariff bill of 1909 an unjust discrimination was made against this class of products, and we were only saved from foreign importations under the existing duty because of the extremely low prices which have prevailed until very recently in the cost of raw material in this country and the almost destructive competition which has existed in our home trade.

We therefore appeal to your sense of justice and your known desire to be of service to your constituents in all proper ways to give us the benefit of such assistance as we feel sure you can render in insuring proper consideration being given to this class of product by those concerned in the revision of the tariff which is now being undertaken and upon which hearings will be held before the Ways and Means Committee on the 10th proximo.

Briefly stated, the facts as they apply to our industry are as follows:

In the revision of 1909, notwithstanding the protests of all the manufacturers engaged in producing this class of goods, the duty upon them was reduced one-half, or from 1¼ cents per pound to five-eighths cent per pound on the smaller sizes, and from 1½ cents per pound on the larger sizes to three-fourths cent per pound, while on the plate and sheets from which tacks and small nails are made, the duty of one-half cent per pound was retained (sec. 125, Schedule C), thus leaving only from one-eighth cent to one-fourth cent as protection to labor on the manufactured tacks, which is approximately 60 per cent of the material cost—the protection to labor being, therefore, only 11 per cent of the average labor cost, while the raw material is protected to 27 per cent of its total cost.

Surely this shows unjust discrimination, and it is further shown in the existing tariff by the duty which is carried on other manufactured articles involving a much smaller percentage of labor; such, for example, as rivets (sec 165, Schedule C), which are given a protection of 1¼ cents per pound, or 52.7 per cent of the labor cost, while the rivet rods, from which these rivets are made, are protected only to the extent of three-tenths cent per pound.

Iron and steel wood screws, in section 167, Schedule C, are given a protection of from 8 cents to 12 cents per pound on the lengths which correspond to the lengths in which tacks are made—an average of 10 cents per pound protection on these sizes of iron and steel wood screws. The screw wire rods from which the screws are made pay a duty of only three-tenths cent per pound under the provisions of section 133 of Schedule C, thus giving a protection of $9.67 per 100 pounds to the labor making steel wood screws, or approximately 37 per cent.

These comparisons are made not for the purpose of trying to show that the other products referred to are unduly protected, but as a basis for an inquiry as to why the tack manufacturer should be the "goat."

What the present views of the Ways and Means Committee may be in this connection we, of course, can not say, but assuming that the bill which passed the House of Representatives on January 29, 1912 (H. R. 18642), represents its views, a still further injustice would be done to the tack-making industry, as that act placed tacks upon the free list, while a duty of 15 per cent ad valorem is retained upon the raw material from which tacks are made.

Consular report issued by the Bureau of Manufactures, under date of June 19, 1912, gives the price of fine sheets in Germany on January 1, 1912, as from $33.32 to $34.51. Allowing the American differentials for sheets of heavier gage—sheets gaging from 17 to 21 which are used in tack making—would make the price for such sheets $29.32, as against the lowest price quoted in this country for the last 10 years, at least, of $31. With tacks upon the free list the German tack manufacturer, buying his raw material at a price lower than it has been sold in this country under the severest competition, and with labor at little more than one-half the cost in this country, would only have the freight against him—approximately 10 cents per cubic foot from Antwerp to New York—or not to exceed $2.75 per ton c. i. f.; while the American manufacturer will have, in trying to import his raw material, a duty of 15 per cent ad valorem (approximately $4.65), the importer's profit—if only 5 per cent—of $1.55, the freight and insurance of $2.75, making a new handicap of $6.20 per ton, even if it were possible for a small tack manufacturer in this country to keep himself supplied with this long-distance material, which could only be done in the event of importers carrying a stock in this country to meet his requirements, in which event, of course, the allowance made for the importer's profit would have to be largely increased; and the fact that such stocks would be carried in this country is so improbable that it is not worthy of consideration.

The German tack manufacturer would, therefore, have an advantage over the American manufacturer of $6.20, plus the difference in labor, which, assuming the German labor to be 60 per cent of the American labor cost, would give the American tack manufacturer a further handicap of at least $12 per ton, or a total of $18.20 per ton—equal to 18 per cent—in the presence of which he could not continue to exist.

What is true of Germany is true of France and Belgium likewise, particularly the latter.

Tack plates and sheets are now being made in Canada, where again we are confronted with cheaper labor, and it is certain that the American market will receive the surplus products of the Canadian tack manufacturers in the event of tacks being placed on the free list unless the market is occupied with other foreign products, while the American manufacturers can not indulge in reprisals owing to the heavy Canadian duty.

In view of these facts, are we not entitled to better consideration, and will you not render us such assistance as you can in seeing that our business receives it?

Respectfully, yours,

ATLAS TACK CO.,
WM. F. DONOVAN, *President.*

—

The honorable the SENATE COMMITTEE ON FINANCE,
United States Senate, Washington, D. C.:

Referring to paragraph 197, Schedule C, Payne-Aldrich tariff, House of Representatives (the Underwood bill, No. 3321), Schedule C, paragraph 167, and free list, paragraph 451, now pending in the Senate:

SEWING MACHINES.

We would respectfully invite the attention of the committee to the following facts relating to sewing machines as an industry, the tariff rate and classification under the present law, and the proposed removal of duties and reclassification under the Underwood bill.

THE INDUSTRY.

Following the invention of the sewing machine and for years thereafter, while enjoying the protection of basic patents and the natural growing demand for a mechanical device which revolutionized so important a department of industrial and domestic life, the manufacture and marketing of sewing machines was admittedly a profitable business. This favorable condition was in a measure continued by tariff duties upon imports based upon the difference in the scale of wages paid by foreign manufacturers and that paid in this country. It was continued, too, by the fact that most foreign-made machines were for a time but crude imitations of American machines and by the further fact that the names of the first American inventors conferred prestige on the American machine in all foreign markets.

This is all ancient history, for the relation of which we beg your indulgence, but it is necessary for you to understand the basis for the wide misunderstanding of and misinformation regarding the industry. The popular belief that the business is vastly profitable, that American manufacturers are selling American-made machines in Europe cheaper than in America, or that American makers have any considerable trade in Europe is a legacy from a former generation.

The product of foreign sewing-machine manufactories, especially those of Germany, in quality of material used, efficiency in skilled workmanship and finish is now equal to our own. Great Britain excepted, the markets of Europe are practically closed to us by tariff duties as high or higher than those of the United States under the present law, while the foreign manufacturer has a labor cost not more than 55 per cent of the cost of American manufacturers. Over an imaginary line on the north, Canada, with a duty of 30 per cent ad valorem, practically holds that market for her own capital and labor. By reason of low tariff duties and our early entrance into that market, South America affords us a somewhat limited foreign trade, but even in that field the product of the cheaper labor in German factories is, in competition with us, gradually decreasing the demand for American machines.

With the markets so nearly restricted to the confines of the United States, with constantly increasing cost of material, selling expense, and wage scale for labor, with competition in the home market forcing a lower selling price to consumers, which latter has reached a level quite inconsistent with reasonable profits, with substantially all patent protection eliminated and tariff duties already reduced one-third by the Payne-Aldrich law, we can not view the proposal of the Underwood bill to throw our home market, to which the home manufacturer is fairly entitled, open to the world without the gravest concern for the safety of our investment and the welfare of our operatives.

CLASSIFICATION.

We ask your attention to paragraph 197, Schedule C, of the present law, where sewing machines are classed with machine tools, printing presses, and other items bearing a duty of 30 per cent ad valorem. We are of the opinion that every item named in that rate of duty in the above paragraph enjoys some degree of protection from patents, except the sewing machine made for domestic use. The first two items named above are placed upon the dutiable list (par. 167, Schedule C, in the Underwood bill), while sewing machines are placed upon the free list (par. 451). Why do not sewing machines need the same degree of protection? Whatever value there may be in a "dumping clause" against a producing country, where lower costs of production prevail than in the country whose market is sought, is it entirely fair to deprive the one item which needs it most of whatever advantage might accrue?

It is said that sewing machines afford no appreciable revenue under the present law at 30 per cent ad valorem ($21,000 in 1912). That revenue surely can not be increased under the Underwood bill, but it might be if the duty were not prohibitive and sewing machines restored to the dutiable list.

RECIPROCAL BASIS.

Speaking only for our own company (though we believe we express the views of all our home competitors in the industry with one exception), we submit to your honorable committee that we can not see any other than disastrous consequences to both ourselves and our employees if the proposed bill, unchanged, becomes a law. We wish not to seem unreasonable nor unmindful of the sense of obligation resting upon the majority in Congress to correct tariff abuses wherever found and to make a fair and satisfactory revision of the law, but we believe justice can only be done our industry and the views of low-tariff advocates reconciled by reciprocal adjustments with producing countries. We believe it worth your consideration to reflect that the world production of sewing machines has attained a balance in quality and workmanship that makes less difficult the abolishment of tariff advantage, and the United States might afford to make the first overtures for its reciprocal abolition without destroying our home industry as a preliminary step. Free trade could only be fair or even tolerable with the freedom going as well as coming. This, we think, everyone must concede.

SEWING MACHINE COMPANIES.

The Singer Sewing Machine Co., as all know and agree, is the dominating force in the industry. It is thought to control at least 50 per cent of the American trade and a much larger proportion of the foreign trade. Aside from its factory in the United States it has even large ones in Scotland, Germany, Russia, and Canada. Its foreign workmen and operatives constitute perhaps 75 per cent or greater of its mechanical force. It is for this reason that for all import or tariff purposes the company is practically regarded as a foreign company. It manufactures special machines for a great variety of uses by power as well as machines for domestic or family use. It is not, therefore, concerned, so far as we know, about tariffs by this or any other country. It is everywhere behind the tariff wall and secure.

INDEPENDENT COMPANIES.

There are seven independent companies, so called, manufacturing sewing machines in the United States, as follows:

National Sewing Machine Co., Belvidere, Ill.; capital, $1,050,000. Incorporated under the laws of Illinois.

Free Sewing Machine Co., Chicago, Ill.; capital, $832,000. Incorporated under the laws of Illinois.

Foley & Williams Manufacturing Co., Chicago, Ill.; capital, $500,000. Incorporated under the laws of Illinois.

New Home Sewing Machine Co., Orange, Mass.; capital, $3,000,000. Incorporated under the laws of Massachusetts.

Davis Sewing Machine Co., Dayton, Ohio; capital, $1,200,000. Incorporated under the laws of Ohio.

Standard Sewing Machine Co., Cleveland, Ohio; capital, $869,000. Incorporated under the laws of Ohio.

White Sewing Machine Co., Cleveland, Ohio; capital, $1,098,000. Incorporated under the laws of Ohio.

These companies manufacture and market machines of a variety of grades and types, but their product is almost exclusively designed for domestic or family use. They are "independent" in the sense that they are all competitors one with the other, and also "independent" of and in no manner connected with the Singer Co. The combined capital of these companies is approximately $8,500,000. They produce about 650,000 machines per annum. They employ about 6,500 operatives. Skilled labor is paid from $3.50 to $5 per day and unskilled labor from $1.75 to $2.50 per day. It is estimated that between 75 and 80 per cent of the cost of manufacture is labor cost. So far as our company is concerned, and we believe it may also be said of the six other independent companies, our books and any technical information of which we are possessed will be freely at the service of the committee, and we tender our assistance and cooperation as far as it may be desired by your committee for the purpose of arriving ultimately at a just and satisfactory adjustment of the tariff question as affecting our industry; and we ask that sewing machines be restored to the dutiable list in the Underwood bill, that a rate of duty be placed upon imports that will give some adequate protection against producing countries who have imposed prohibitive duties against us; also that this be done with or without a provision for reciprocal equality rates with producing countries, as the wisdom of the committee may determine.

Respectfully,

THE NEW HOME SEWING MACHINE CO.,
By JAMES M. RICHARDSON.

Mr. PENROSE. Mr. President, when the metal schedule was under consideration I asked to have paragraph 143, relating to umbrella and parasol ribs and stretchers, passed over. I did not persist in that request, and I believe the paragraph has been agreed to; but I desire, before we leave the dutiable part of this bill, in about three minutes, if the committee will permit me, to explain the unequal way in which this bill operates on umbrellas, merely as an illustration. Paragraph 143 provides:

Umbrella and parasol ribs and stretchers, composed in chief value of iron, steel, or other metal, in frames or otherwise, and tubes for umbrellas, wholly or partially finished, 35 per cent ad valorem.

A considerable reduction from the Payne rate.

The articles referred to in that paragraph, Mr. President, are the thin metal tubes and wires of an umbrella. To show how little the consumer will be benefited by the proposed reduction, I will state that those articles are furnished to the trade which assembles the umbrellas into the final covered form in which they reach the consumer, according to my recollection—I have not the figures here—anywhere from 4, 5, 6, 10, or 11 cents for the whole umbrella. Therefore these tubes and wires of delicate workmanship entering into the cost of the umbrella of ordinary use, which retails for $1, $1.50, or $2, are furnished at from 5 to 10 cents.

There are about six small concerns—moderate-sized concerns—making these articles, scattered through Pennsylvania and New Jersey. They have had a hard time getting along. Some of them have been embarrassed financially and have got into the hands of receivers. The last information I had from them, about a month ago, was that they were working about half time. It is a story that will fall on callous ears, I suppose; but this particular article is made in Japan, and it will be absolutely impossible for the American manufacturers, at the American rate of wages, to stand up very long against the Japanese importation at that rate of duty. So much for the first article entering into an umbrella.

Then we come to paragraph 326, on "woven fabrics, in the piece or otherwise, of which silk is the component material of chief value," and so on, "45 per cent ad valorem."

That is a considerable duty levied on the silk, which is largely the principal element in the cost of an umbrella, for it is the cover of an umbrella. The frames are made in the eastern part of Pennsylvania and in New Jersey, as I have said. The silk is made in all the Eastern States, but notably in Pennsylvania and in New Jersey. Then, in other sections the actual umbrella is manufactured, which consists very largely in the assembling of the various parts of the umbrella, putting in the wire rods, and then covering the frame with the silk.

Now, see where the final manufacture is left under the devious course of these preliminaries in this bill. A correspondent says:

The main thought apparent in its construction is the lightening of the duties upon the raw materials essential to American industries without any lowering of the tariff upon the manufactured product commensurate with the proposed relief of the imported raw materials. In the exceptional case of the industry we represent, by what seems to us has been an oversight, this policy has been departed from, with the inevitable result—if the bill becomes operative—of a serious crippling if not total destruction of an important branch of industry representing millions of invested capital and active business and employing thousands of operatives.

The concern to which I now refer is located in Lancaster, Pa.:

The work of our factories is the assembling of the parts, i. e., buying the parts made by others, putting them together, and placing them on the market. Heretofore the duty on manufactured umbrellas and parasols has never been less than the duty on the component parts. From this historic fact, and because its continuance seemed to be entirely in line with the main purposes of the proposed new tariff system, no brief was filed nor appearance made on our behalf before the Ways and Means Committee.

As the bill stands (comparing Schedule N, par. 394, p. 97, with Schedule L, par. 326, p. 79) the duty on silk cloth and silk mixed cloth—the costliest component of our manufacture—is fixed at 45 per cent, while the duty on the manufactured article into which these enter is only 35 per cent—10 per cent less. The situation places the American manufacturer and workman entirely at the mercy of foreign competition, and permits the importation of the finished product at a lower rate of duty than the raw materials separate.

There is absolutely free and keen competition in the umbrella and parasol industry, and while it can doubtless meet foreign competition if the duty on the finished product is at least as great as the maximum of the parts, yet we can not survive with a duty of 45 per cent on silk cloth and only 35 per cent on the finished product.

Thus, Mr. President, a cheeseparing policy is adopted on umbrella frames, which will undoubtedly destroy six or eight moderate sized plants, and at the other end of the line by the failure to provide for adequate reductions on the silk the manufacturers of the finished umbrella or the parasol are likely to be unable to compete with the foreign manufacturers.

Mr. CUMMINS. Mr. President, I desire to offer an amendment.

The VICE PRESIDENT. The Chair understands this paragraph was passed over at the request of the Senator from Utah [Mr. SMOOT], made in behalf of the Senator from Pennsylvania [Mr. PENROSE]. The Chair desires to inquire whether the paragraph can now be taken up and disposed of?

Mr. SIMMONS. Mr. President, my understanding was that we adopted that paragraph. I understood the Senator from Pennsylvania agreed that it might be disposed of.

Mr. PENROSE. I withdrew my request, and simply brought the matter up before we proceeded to other parts of the bill.

Mr. SIMMONS. That is my understanding. Then, I ask that that paragraph be acted on now.

Mr. PENROSE. I think it has been acted on.

Mr. THOMAS. No; it has not.

Mr. PENROSE. Very well; let it be acted on now.

Mr. SIMMONS. I thought it had been acted on, but the presiding officer says otherwise. I should like to have it acted on now.

The SECRETARY. Page 96, paragraph 396——

Mr. SIMMONS and Mr. SMOOT. That is not the paragraph.

Mr. THOMAS. The paragraph is 143.

Mr. LODGE. The umbrella and parasol paragraph.

Mr. THOMAS. Schedule C, paragraph 143.

The VICE PRESIDENT. Paragraph 326 went over at the request of the Senator from Utah for the Senator from Pennsylvania.

Mr. SMOOT. No; Mr. President——

The VICE PRESIDENT. It has been read in connection with paragraph 143, which will now be read.

Mr. SMOOT. No, Mr. President; I asked that paragraph 326 go over, and said that I myself intended to offer an amendment to it. That is the broad silk paragraph, but paragraph 143 relates to umbrella and parasol ribs and stretchers. I requested that that be passed over on account of the Senator from Pennsylvania desiring to speak upon it; and, subsequently, I withdrew that request.

Mr. LODGE. That paragraph has now been disposed of.

Mr. SIMMONS. It is paragraph 143 on which I ask action now.

The VICE PRESIDENT. It has been read; there are no amendments to it.

Mr. CUMMINS. Mr. President, I offer an amendment, to be inserted in the bill immediately following paragraph 659.

The SECRETARY. On page 164, after line 5, it is proposed to insert the following——

The VICE PRESIDENT. The Chair will inquire of the Senator from Iowa if this is an amendment to the amendment proposed by his colleague [Mr. KENYON]?

Mr. CUMMINS. It is not.

The VICE PRESIDENT. But, nevertheless, it is an amendment proposed to follow paragraph 659.

Mr. CUMMINS. Is the amendment proposed by my colleague pending?

The VICE PRESIDENT. It has been referred to the committee. The Chair only made the statement in order that the record might be kept clear.

Mr. CUMMINS. This is another amendment to follow the last paragraph of the free list. I do not care whether it takes its place after the amendment proposed by my colleague or before it. That is entirely immaterial, because the two amendments do not cover the same subject at all.

The VICE PRESIDENT. The Secretary will prepare the record so that there will be no question about it. The amendment will be stated.

The SECRETARY. On page 164, after line 5, it is proposed to insert a new paragraph, as follows:

It shall be unlawful from and after January 1, 1914, for any common carrier to charge, collect, or receive a higher rate for the transportation of any of the articles or commodities hereinbefore mentioned, or of substantially similar articles and commodities having been grown, produced, or manufactured in the United States, over the same line in the same direction than it charges, collects, or receives for the transportation of such articles or commodities when imported into the United States from a foreign country; and all through rates between common carriers bringing such imported articles or commodities to this country and carriers transporting them into the interior are hereby declared to be unlawful.

No common carrier in conforming to the foregoing provision shall increase any rate without the approval of the Interstate Commerce Commission, entered after a full hearing upon an application for such increase.

Mr. SIMMONS. Mr. President, I ask the Senator from Iowa if he will not permit that amendment to be referred to the Finance Committee?

Mr. CUMMINS. I understand the Senator from North Carolina to suggest that the amendment be referred to the Committee on Finance.

Mr. SIMMONS. That was my suggestion.

Mr. CUMMINS. I do not intend to resist that suggestion. I am very anxious that the amendment shall be adopted, and I shall be very glad if the committee will carefully consider it. I submitted the amendment long ago, and it was formally referred to the Committee on Finance; but I assume that, in the great variety of work in which it has been engaged, this amendment has not challenged the committee's attention. I am quite willing that the amendment shall be so referred, simply saying that when the committee reports it or before the pending bill passes from consideration as in Committee of the Whole, I expect to discuss the matter at reasonable length.

The VICE PRESIDENT. The proposed amendment will be referred to the Committee on Finance.

Mr. SIMMONS. I ask that section 2, known as the income-tax section, be taken up, and that the Secretary read it.

Mr. WILLIAMS. Mr. President, that section having been taken up I want to call attention to the fact that the Senator from New York [Mr. ROOT] has offered an amendment, which is pending, in which he seeks to cure what he concedes to be a defect in the bill, to wit, the basing of the income tax upon the income of the year preceding the enactment of the income-tax law itself.

I hold in my hand, Mr. President, a letter from the Attorney General, transmitting a memorandum from the Department of Justice, being an opinion of the special assistant to the Attorney General. I also hold in my hand a memorandum prepared by Representative HULL, of Tennessee, who was for the major part the draftsman of the income-tax provision as it left the House; I also hold in my hand a very able opinion prepared at the request of the Finance Committee by the Senator from Tennessee [Mr. SHIELDS], all upon this subject, and demonstrating, as I conceive, that the position taken by the Senator from New York is untenable. I ask unanimous consent to insert them in the RECORD for the benefit of Senators, so that they may be read to-morrow.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The matter referred to is as follows:

THE INCOME TAX (S. DOC. 171).

Memorandum prepared by Representative HULL, of Tennessee, August 5, 1913.

The amendment proposed by Senator ROOT on July 18, 1913, is based upon the theory that the proposed income-tax law can not reach for taxation any income accruing prior to the date of its taking effect, which was required to be taxed under the rule of apportionment under the decision in the Pollock case, even though such income accrued subsequent to the ratification and promulgation of the income-tax amendment to the Constitution. The essence of this contention is that within the meaning of the proposed tax law the tax is limited to the particular income as a specific fund out of which the tax is to be taken, and also that such income becomes principal whenever received, and that principal, therefore, can only be reached for taxation by apportionment, notwithstanding the effect of the recent amendment and the usual method of levying and measuring income taxes by the rule of uniformity as embraced in the proposed law and in former laws and practices of the United States Government.

Prior to the Pollock decision Congress had exercised the broadest power to impose the tax on incomes by the rule of uniformity, from whatsoever source derived. The great question raised in the Pollock case did not go to the power of Congress to impose the tax, but to the question of whether the power had been exercised according to the method prescribed by the Constitution—that is to say, whether a power to tax, limited only by one exception and two qualifications, was being used according to the restrictions as to the method prescribed for its exercise. The Pollock decision held that only certain classes of incomes were excise taxes and as such leviable by the rule of uniformity, while certain other classes, viz, rent of real estate, and incomes derived from invested personality, were of such a nature that a tax laid upon the same constituted a direct tax, and which must fall under the rule of apportionment. Prior to this decision the policy of the Government and the decisions of the courts were to the effect that all taxes upon incomes being considered excise taxes might be levied under the rule of uniformity and might be measured by the income accruing during the preceding year or preceding years.

The income-tax act of August 5, 1861, provided that the tax should be assessed "upon the annual income for the year preceding the 1st of January, 1862," thus including the income that had accrued during the seven months next preceding the passage of the law. The act of July 14, 1862, required the tax to be imposed upon the income that had accrued during the previous six and one-half months of that year prior to the date of the passage of the act.

The English act of June 28, 1853, likewise applied to all income accruing from the 5th day of the preceding April.

In the case of Stockdale *v.* Insurance Co. (20 Wall., 331) the Supreme Court said:

"The right of Congress to have imposed this tax by a new statute, although the measure of it was governed by the income of the past years, can not be doubted; much less can it be doubted that it could impose such a tax on the income of the current year, though part of that year had elapsed when the statute was passed. The joint resolution of July 4, 1864, imposed a tax of 5 per cent on all income of the preceding year, although one tax on it had already been paid; and no one doubted the validity of the act or attempted to resist it."

The soundness of this language was later sustained in the case of Patton *v.* Brady (104 U. S., 608).

In the case of Maine *v.* Grand Trunk Ry. (142 U. S., 217-229) the Supreme Court suggested that income for one year might properly be taken for the measure of all future years.

Again—

"unless the Constitution prohibits retrospective legislation, the basis of the assessment of taxes may as lawfully be retrospective as the reverse; that is to say, it may as well have regard to benefits theretofore received as to those that may be assessed thereafter." (Cooley on Taxation, 3d Ed., 492.)

Retrospective legislation is not prohibited.

In Drexel & Co. *v.* Commonwealth (46 Pa. St., 31, at p. 40) the Supreme Court said:

"It is clearly constitutional as well as expedient in levying a tax upon profits or income to take as a measure of taxation the profits or income of the preceding year. To tax is legal, and to assume as a standard the transactions immediately prior is certainly not unreasonable."

Additional authorities might be cited to the same effect. As stated, these authorities only had in mind the imposition of an income tax as an excise or indirect tax by the rule of uniformity, whereas it should be borne in mind that under the Pollock decision incomes from rent of real estate and invested personalty are direct taxes, and until the ratification of the recent amendment could only be levied by apportionment.

The recent amendment, however, provided that Congress might impose a tax on incomes without apportionment, whether considered as direct or indirect taxes. It is evident, therefore, that in so doing the rule of uniformity must govern. The question then arises as to whether Congress may thus impose a tax upon all incomes from whatever source derived, whether considered direct or indirect taxes, in the same manner in all essential respects that it had, previous to the Pollock decision, imposed the tax upon incomes as an excise and under the rule of uniformity. If so, it necessarily follows that the tax may be measured by all income accruing from and after the ratification of the constitutional amendment.

Does not the very nature and purpose of a tax on incomes accord with the foregoing view? In the broad and usual sense of tax laws the Government, for example, might impose a tax upon property according to its value by a direct and specific levy upon the property itself, and in concrete form, either real or personal; this would be done by apportionment; or if it was sought to impose a capitation tax, which is one upon the person solely, without any reference to his property, real or personal, this would be effected by apportionment, while, upon the other hand, a tax laid upon any business, or franchise, or employment, or income would fall under the rule of uniformity.

The Pollock decision held the income tax invalid not on the ground that income could become capital and escape the tax, but on account of its origin; that it was, in effect, a tax on realty and personalty. The only proper inquiry in the light of the recent amendment, therefore, is not as to the *origin* or *disposition* of the income in question, but what amount of income accrued to a taxable individual during a given period. It must follow that the account of annual income required of a citizen is for the purpose solely of ascertaining what amount of tax ought to be imposed upon him in consequence of his having made profits and collected by the Government not necessarily out of the specific income in question, but from the general property of the taxpayer as well. (61 N. C., 87.)

This view refutes the theory both that income may become principal, and thereby escape taxation, and also the *objection as to retrospective legislation.*

In the language of the Supreme Court (8 Wall., 234):

"The tax is payable by the person because of his income, according to its amount and without reference to the way in which it was obtained."

The proposed measure would require no act of the citizen until the 1st of January next. It would assess and collect a tax off the individual during next year. Until the 1st day of January the citizen could not balance off against his gross profits his losses, expenses, etc., and ascertain his net income for the preceding year. Until the close of the year the citizen could not know whether his income would be absorbed by losses, expenses, etc., or otherwise disposed of without even being received, nor in fact could he know whether he would have *any net income* until he had balanced his receipts and expenditures *after* the end of the year. Within the meaning of the proposed tax the cumulating items of profit must necessarily *remain in abeyance* until the expenditures for the year are deducted therefrom at the end of the year before it could be known whether there was any sum remaining that would or *could become capital.*

The framers of the Constitution prescribed two great classes of taxes. The sole practical basis for this division related to the method of their imposition, viz, those that were to be apportioned were called direct taxes, while those to be levied by the rule of uniformity were called indirect taxes. No court has ever inquired whether a tax is direct or indirect except for the purpose of determining whether it shall be levied under the one or the other rule just stated. *Income* from real estate and invested personalty is now as fully exposed to the taxing power of the Government under the rule of uniformity as is *income* from trades, professions, etc. The inquiry is not whether profits from any source are *property*, but are they *income*. If so, they are taxable.

The Pollock decision held that as to certain classes such profits were property and not income; but the recent amendment, in its necessary effect, revoked this doctrine and said they shall be treated as any other kind of income for the purpose of an income tax.

Under the proposed measure income is both the subject and the measurement of the tax. The recent amendment gives Congress the power to tax all classes of income without apportionment. Certainly, then, Congress may measure the tax by the same income. The Supreme Court has held that where the power to lay a tax exists it may be measured by the income from property *not in itself taxable.* (Flint *v.* Stone Tracy Co., 220 U. S., 107; U. S. Express Co. *v.* Minn., 223 U. S., 335.)

The constitutional amendment simply exempts the entire tax to which it relates from the rule of apportionment. It then becomes utterly immaterial to inquire whether the tax is direct or indirect or as to the origin or source of the income or its disposition—the only inquiry pertinent and necessary is, What amount of net income accrued to an individual during a given taxing period? The tax is thereupon measured by the same and collected out of *his general property.*

From any viewpoint it must be agreed that Congress would impose a tax with respect to the annual net income of the citizen, and the tax to be measured by such income, whether the same or parts thereof be considered *property* or *otherwise.* Had the recent amendment been a part of the Constitution when the Pollock case was decided there is no reason to suppose that even for the purpose of income taxation any class of income would have been held to be *property* in the *taxing* sense whatever its character or nature may have been considered in *other senses.* Before the recent amendment the direct tax was considered a tax in terms on property, real or personal, whereas all other taxes related to businesses, privileges, franchises, etc., though measured by different methods.

These latter taxes are taken from the general property of the citizen, just as the former, though not imposed in terms thereon. The recent amendment simply transferred certain categories of income from one of the great classes of taxes to the other, to all intents and purposes if not in name. This transfer makes all incomes conform to the tax-meaning definition of the same as prescribed by all the courts, text writers, commentators on the Constitution, and acts of Congress prior to the Pollock decision.

Income has been defined as "the gain which proceeds from labor, business, *or property* of any kind; the profits of commerce or business." (44 Pa. St., 347; 42 L. A., 428; 28 L. R. A., 48.)

Also, an income tax is defined as "a tax which relates to the product or income from property or from business pursuits." (60 Ga., 93; 30 S. W., 973.)

It is a tax upon a person in respect of his income imposed in consideration of the amount of his net profits.

"A tax on the yearly profits arising from *property*, professions, trades, and offices." (Black's Law Dictionary.)

"One which relates to the product or income from property or business pursuits." (97 Ky., 394; 30 S. W., 973.)

Under the general property laws of the States the taxable status of property, real and personal, relates to the date fixed by law for its assessment. The assessment, when later made, must fix its value as of this date. This may be any day during a taxable year. (141 Ind., 159; 109 Fed., 726.)

An income tax is assessed and collected during the year subsequent to the accrual of the income returned and by which the tax is measured. Under a tax imposed with respect to net incomes the citizen may be required to return for the purpose of the measurement of the tax either his income for the preceding year, or his average income for a designated number of preceding years, or his estimated income for the current year. That view is sustained by previous citations herein.

It therefore follows that Congress at least during any period of the present year may impose and collect a tax on all incomes accruing subsequent to the promulgation of the recent constitutional amendment, and it is strongly probable that the constitutional amendment had the effect to empower Congress to measure the tax by all income accruing from the 1st day of January last. The power to impose the tax has existed during the entire year, and there has been no impediment to its imposition under the rule of uniformity during most of the year, and under the weight of authority in the States, together with the construction placed upon the National Constitution by the Supreme Court in the Legal Tender and other cases, no reason appears why the tax now proposed could and should not be measured by the income accruing from the first of the year.

Such latter provision would provide for the doing of no act prior to December 31 next which would otherwise have been done by the citizen. It would undo nothing; it would neither *take away* nor *impair* any vested right. (4 Nev., 313.)

"The language of a constitutional amendment should be read in connection with the known condition of affairs out of which the occasion for its adoption may have arisen, and then construed if there be therein any doubtful expressions, in a way, so far as is reasonably possible, to forward the known purpose or object for which the amendment was adopted." (Maxwell *v.* Dow, 176 U. S., 581.)

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DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., August 6, 1913.

Hon. F. M. SIMMONS,
United States Senate.

MY DEAR SENATOR: Replying to your letter of July 30, in which you inclose an amendment offered by Senator ROOT to the income section of House bill 3321, together with his remarks at the time of its introduction, and asking for my views with reference to the Senator's contention, permit me to say:

I am sending you two separate memorandums, one which Congressman HULL very kindly prepared upon my request, and the other prepared by one of the assistants in the department. I hope they will answer your demands.

It seems to me that the Senator's proposition is not well founded. The practice in the past, the necessity for moving along practical lines with respect to tax matters, together with the other suggestions contained in the inclosed memorandums, are adequate to overthrow his contention.

With best wishes, faithfully, yours,

J. C. MCREYNOLDS,
Attorney General.

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RE MR. ROOT'S PROPOSAL TO AMEND INCOME-TAX LAW.

[Memorandum for the Attorney General by T. M. Gordon, July 31, 1913.]

Mr. ROOT suggests that the income-tax law must be amended to operate only from the date of passage. His theory is that income, once accrued, becomes principal. Hence there can be no such thing as an "income tax" on past income. Such a tax is a tax on principal, a direct tax, still requiring apportionment, despite the fifteenth amendment. I do not agree with Mr. ROOT.

The whole question turns upon what the words "taxes upon incomes from whatever source derived" mean as used in the sixteenth amendment.

An income tax is sui generis. It is a legal fiction, a purely metaphysical conception, very difficult to define or classify. It seems to me, however, that it must be treated in a practical sort of way, and that the definition which Mr. ROOT's argument assumes builds up an unduly elaborate legal fiction, unwarranted by authority and very unfortunate in its results.

Of course Mr. ROOT can not have in mind that a tax to be an *income* tax must actually be collected, or even assessed, before income ceases to be income. Such a requirement would be wholly impossible to comply with. For example, such a requirement would render it improper to assess the tax upon income for the preceding year, as is done by this law, and as is the universal custom of income-tax laws both in this country and in England.

Apparently Mr. ROOT does assume, however, that a tax can not be a *"tax upon income"* unless the law levying the tax is in active operation at the precise instant that the income accrues, so that it may then seize upon the income *constructively;* i. e., in legal fiction. The law is conceived as a sort of invisible net interposed between the individual and his source of income. The Federal 1 per cent is caught, branded, and turned loose again, as it were, to be counted and collected at a later day by the assessor. Of course physical analogies can not express precisely how the legal fiction solves such difficulties as the fact that any individual's yearly income can not be known till the end of the year, or the situation of the merchant who may gain in one transaction and lose in the next; nevertheless it must be admitted that such a conception of a tax on income, though very refined and metaphysical, is intellectually possible.

I do not think, however, that usage, as evidenced by prior laws upon the subject and by judicial decisions, has ever restricted the meaning of the words to tax laws which might be conceived to operate in such a fashion.

I. *First, as to the word "income,"* I do not think that word necessarily implies a *specific fund* from which the tax must be taken. A man who possessed no vested right to anything might properly say, "My present income is $5,000 a year." If that *is* his *"present income,"* why may he not be taxed upon it?

II. *That leads to the significance of the word "upon."* This word is used in such a wide variety of ways that it is very difficult to define exactly what we do mean when we say a tax "*upon*" anything. Taxes,

generally speaking, are really contributions from *persons*, who are classified for tax purposes with reference to various characteristics, as ownership of land, carrying on a certain kind of business, etc. The factor or factors with reference to which individuals are classified is usually said to be the thing "*upon*" which the tax is levied. (2½ *Harvard Law Review*, pp. 41–42.) Thus Mr. Kennan, in his recent book on *Income Taxation*, defines an income tax as "*a tax the amount of which is determined with reference to the income of the taxpayer*" (p. 9). In other words, "upon" usually means "*with reference to*," or "*based upon*," or "*measured by*." And an income tax is a tax based upon income or measured by income, not carved out of a specific fund of income.

In this sense a tax can be "upon" a thing which a person no longer owns or a state of things which has now ceased to exist. As Mr. Cooley says (Cooley, Taxation (3d Ed.), pp. 492, 493, 494):

"Unless the Constitution prohibits retrospective legislation the basis of an assessment of taxes may as lawfully be retrospective as the reverse; that is to say, it may as well have regard to benefits theretofore received as to those which may be assessed thereafter. (Locke *v.* New Orleans, 4 Wall., 172, p. 492.)

"* * * Nor in apportioning the tax between individuals is there any valid objection to making it on consideration of a state of things that may now have come to an end; *as where a tax is imposed on the extent of one's business for the preceding year instead of upon an estimate of the business for the year to come.* (Drexell *v.* Commonwealth, 46 Pa. St., 31; People *v.* Gold Co., 92 N. Y., 383.) * * * One may be taxed upon property which he has long ceased to own when the tax is levied" (pp. 493–494).

Locke *v.* New Orleans (4 Wall., 172), cited supra, held a State statute imposing an additional tax on property according to the assessment for the previous year, and also according to the assessment for the year before that, but not exceeding the tax already imposed according to those assessments, was constitutional.

Drexell *v.* Commonwealth (46 Pa. St., 31), also relied on by Mr. Cooley, related to an income tax. The court said (p. 40):

"This act clearly intended to levy a tax of 3 per cent on the profits or income of the business and was not meant to tax capital. Profits must necessarily be the net profits of the business, and the Commonwealth was to receive of them 3 per cent. It was in fact a tax upon the income of the business in which the defendants were engaged. The English income tax and the United States income tax are based upon the incomes received in preceding years. The present United States income tax is laid upon the income of 1862, and the act of Congress of the 5th of August, 1861 (12 Stat. L., 309), expressly declares that 'the tax herein provided shall be assessed upon the annual income of the persons hereinafter named, for the year next preceding the 1st of January, 1862, and the said taxes, when so assessed and made public, shall become a lien upon the property or other sources of said income for the amount of the same, with the interest and other expenses of collection until paid.'

"It is clearly therefore perfectly constitutional as well as expedient, in levying a tax upon profits or income, to take as the measure of taxation the profits or income of a preceding year. To tax is legal, and to assume as a standard the transactions immediately prior is certainly not unreasonable, particularly when we find it always adopted in exactly similar cases. The tax is graduated upon each individual upon his individual receipts."

In People *v.* Gold Co. (92 N. Y., 383) a tax upon the franchises of corporations, based upon dividends for the year preceding the passage of the law, was upheld.

"The fact that the amount of the tax may in some cases be fixed by reference to the business of the company during the year does not make the act retrospective. The burden it imposes is future and for future expenditures. It is competent for the legislature to adopt such method of valuing the franchises or property of corporations for the purpose of taxation as it deems proper" (pp. 390–391).

In Glasgow *v.* Rouse (43 Mo., 479) an additional tax on incomes, levied according to the assessment of the preceding year, was upheld. The court declared this to be "in entire harmony with the then existing revenue law, which provided that the taxes collected for any year should be based on an assessment made for the previous year" (p. 488).

III. As appears from the cases supra, the courts do not go through an elaborate fiction to prove that the income is still income at the time the tax attaches. An income tax is still an income tax whether it is levied on this year's income or last year's income or (as has actually been done in the case of professional incomes by the English income-tax statutes since earliest times) on the *average* income for a period of years.

Furthermore, *every one* of the earlier Federal income-tax statutes and every one of the English statutes that I have examined not only based each year's tax upon the income for the preceding year, but also based the tax for the first year upon income *which had already accrued before the passage of the act.* It is only fair to assume that the kind of income tax to which the sixteenth amendment refers is the kind of income tax which had been called an income tax in Federal statutes and levied and collected many times theretofore.

The Federal income-tax laws are as follows:

Act of August 5, 1861 (12 Stat., 292):

"The tax herein provided shall be assessed upon the annual income of the persons hereinafter named for the year next preceding the time for assessing said tax, to wit, *the year next preceding the 1st of January, 1862.*" (12 Stat., 309, sec. 49.)

Act of July 1, 1862 (12 Stat., 473, 474):

* * * "The duty herein provided for shall be assessed and collected upon the *income for the year ending the 31st day of December next preceding the time for* levying and collecting such duty; that is to say, on *the 1st day of May, 1863*, and in each year thereafter."

Act of June 30, 1864 (13 Stat., 223, 281, 283):

"And the duty herein provided for shall be assessed, collected, and paid upon the gains, profits, or income for the year ending the 31st day of December next preceding the time for levying, collecting, and paying such duty (p. 281, sec. 116). * * * Shall be levied on the 1st day of May" (p. 283, sec. 116).

Act of July 4, 1864 (13 Stat., 417):

* * * "There shall be levied, assessed, and collected on the *1st day of October, 1864*, a special income duty upon the gains, profits, or income *for the year ending the 31st day of December next preceding* the time herein named."

Act of March 2, 1867 (14 Stat., 471, 478, 480):

"And the tax herein provided for shall be assessed, collected, and paid upon the gains, profits, and income for the year ending the 31st day of December next preceding the time for levying, collecting, and paying the tax (p. 478).

"*Provided*, That the tax on *incomes for the year 1866 shall be levied on the day this takes effect*" (p. 480).

Act of July 14, 1870 (16 Stat., 256):

* * * "the tax hereinbefore provided shall be assessed upon the gains, profits, and income for the *year* ending on the 31st day of December next *preceding the time for levying* and collecting said tax, *and shall be levied on the 1st day of March, 1871.*"

Act of August 27, 1894 (28 Stat., 553, s. 27):

"Tax to be levied January 1, 1895, on income for the year ending December 31 next preceding time of levy" (s. 1 and s. 30).

English income-tax laws are as follows:

Act June 22, 1842 (5 and 6 Vict., c. 35): Taxed income from April 5, 1842.

Act June 28, 1853 (16 and 17 Vict., c. 34): Taxed income from April 5, 1853.

Since 1860 the English tax has been reenacted annually (16 Halsbury's Laws of England, 609). The act of April 29, 1910 (10 Edward VII and 1 Geo. V, c. 8, s. 65), is an example, which provides:

"(1) Income tax for the year beginning on the *6th day of April, 1909*, shall be charged at the rate of 1s. 2d.

"(2) All such enactments as were in force on the 5th day of April, 1909, shall, subject to the provisions of this act, have full force and effect with respect to any duties of income tax hereby granted."

IV. *The economic conception of an income tax is against Mr. Root's interpretation.*

From the economist's point of view the income tax is a contribution by each individual, *based upon his ability to pay, measured by his income.* A man's income for the preceding year is the most natural measure of his ability. And, as we have seen above, all previous income-tax measures have been levied on that basis.

Nor would it make the tax a "capitation" tax to consider it in this way. "Capitation" taxes, in the constitutional sense, are *poll* taxes, levied upon all men *equally*, without regard to wealth or extrinsic circumstances. (Cooley, Taxation (3d Ed.), p. 28; Hylton *v.* U. S., 3 Dall., 171; Springer *v.* U. S., 102 U. S., 586; Head Money cases, 18 Fed., 135, 139; Glasgow *v.* Rouse, 43 Mo., 480.)

It is true that in Pollock *v.* Farmers' Loan & Trust Co. (158 U. S., 601) the court stated the economic theory and expressly refused to follow it to its logical conclusion in the case of income from *property*, insisting upon the necessity of considering also the *source* whence the income was derived. (See p. 629.) But that holding does not help Mr. Root's contention. The holding was that a tax upon the income of property is a tax upon the property itself, not because the *income* is property, but because the tax reaches back *through* the income to the source from which it springs. (Knowlton *v.* Moore, 178 U. S., 41, 82.) Therefore the sixteenth amendment, which was passed with the express purpose of escaping that decision, must be held to give power to levy a direct tax on property, at least *that kind* of a direct tax on property which is measured by its income. As was suggested above, if the sixteenth amendment is really designed to permit a tax on *property measured by income*, there is no reason why income already accrued may not be taken as the standard.

V. *The usefulness of the tax as a war measure.*

This was one of the reasons most persistently urged for the adoption of the sixteenth amendment. Mr. Root's interpretation would seriously impair its effectiveness, however. How could large amounts of money be raised with any degree of quickness if Congress must wait a year for income to accrue? And of course Mr. Root's objection would apply to an increase in the *rate* of taxation as well as to the original imposition of a tax. That this is a consideration of real substance is shown by the fact that the income tax of 1861, for instance, was aimed at income for the entire year of 1861, though passed on August 5 of that year. (12 Stat., 292.) And as the war proceeded it was found necessary to levy (act July 4, 1864) a special income tax on income for the whole year *1863*. (13 Stat., 417.) It would be very unfortunate if the sixteenth amendment would not permit such a war measure, and for Congress to assent to such a construction by amending the law at this time would be a contemporaneous legislative interpretation of some weight if the question ever arose hereafter.

Faithfully,

THURLOW M. GORDON,
Special Assistant to the Attorney General.

AMENDMENT OFFERED BY MR. ROOT TO H. R. 3321, JULY 18, 1913.

Opinion of Hon. JOHN K. SHIELDS, Senator from Tennessee, furnished Finance Committee at request of the chairman of that committee.

The section of the bill imposing an income tax is in these words:

"A. Subdivision 1. That there shall be levied, assessed, collected, and paid annually upon the entire net *income* arising or accruing from all sources in the preceding calendar year to every citizen of the United States, whether residing at home or abroad, and to every person residing in the United States, though not a citizen thereof, a tax of 1 per centum per annum upon such *income* except as hereinafter provided; and a like tax shall be assessed, levied, collected, and paid annually upon the entire net income from all property owned and of every business, trade, or profession carried on in the United States by persons residing elsewhere."

Subdivision 2 merely provides for an additional tax upon larger incomes in all things as provided in subdivision 1. (Sec. 2, subdivs. 1 and 2, p. 165.)

Thus it plainly appears that the tax is imposed regardless of whether the income or property represented by it had its source in profits or gains from real and personal property or business, and includes them all.

The method provided for computing or assessing the tax makes no distinction on account of the source of the income, and is the same whether it arises from property or business. That portion of the bill providing for this, after allowing certain deductions, contains a provision in these words:

"The said tax shall be computed upon the remainder of said net income of each person subject thereto, accruing during each preceding calendar year ending December 31: *Provided, however*, That for the year ending December 31, 1913, said tax shall be computed on the net income accruing from March 1 to December 31, 1913, both dates inclusive, after deducting five-sixths only of the specific exemptions and deductions herein provided for." (Sec. 2, div. D, pp. 172–175.)

The amendment proposed by Mr. ROOT, July 18, 1913, is as follows:

"On page 172 strike out the word 'March,' and on page 173 all of line 1, and in line 2 the words 'both dates inclusive,' and insert in lieu thereof the words 'the passage of this act.'"

The object of this proposed amendment, or at least its effect, would be to reduce the measure of the tax imposed for the current year to incomes accruing after the passage of the bill.

The reasons advanced by Mr. ROOT in support of the amendment, as stated by him at the time it was proposed, are as follows:

"I have introduced a brief amendment to the tariff bill, which I shall ask to have referred to the Committee on Finance; but I wanted to call the Senators' attention to the precise point of the amendment. It is an amendment to the provision that the income tax shall be computed on incomes accruing from March 1 to December 31, 1913.

"I think the provision will encounter very serious question. The change I propose is to have the income for the first year computed from the passage of the act, rather than from a fixed date—March 1, 1913.

"The reason why I think it would be wise to make the change is that all direct taxes must be apportioned unless they come within the amendment relating to the income tax. We can impose a tax upon incomes without apportioning it because of the amendment, but we can not impose any other direct tax without apportionment. When income is received it immediately becomes principal. The income that was received the 1st day of July of the present year, having been received, became principal, and no law hereafter can tax it without apportionment, any more than we can tax now the income that was received 10 years ago without apportionment.

"So if the bill becomes a law with the provision in it that has been reported from the committee you will find yourselves endeavoring in one sentence to tax income that comes under the amendment, and to tax past income, income received, reduced to possession, and turned into principal before the passage of the act, and that you can not do without apportionment.

"It is to avoid that difficulty, which I am sure is very serious, that I propose the amendment which I now ask to have referred to the Committee on Finance." (CONGRESSIONAL RECORD, p. 2788.)

The argument advanced to support the contention of the Senator is predicated solely upon the assumption that profits, dividends, and other moneys, constituting an income, when received, immediately become "principal," or, in other words, is incorporated into the corpus of the estate of the taxpayer, and therefore not subject to direct taxation without apportionment. This involves the further assumption that the tax imposed can only be collected out of the income of the taxpayer, or, in other words, that his general estate can not be subjected to its payment.

The question whether or not an income accrued immediately and automatically becomes principal or a part of the general estate of the owner, whether sound or unsound in economics or financial evolution, is not in my opinion material to the question involved.

But it is unsound. An income is defined to be:

"That gain which proceeds from labor, business, property, or capital of any kind, as the produce of a farm, the rent of houses, the proceeds of professional business, or money or stock in funds, etc.; salary, especially the receipts of a private person or a corporation from property."

This is the natural and obvious sense of the term, and it is so used in the constitutional amendment and in this bill. The gain, profit, or acquisition constituting the income when it accrues and is ascertained becomes an entity and property as much as a farm, bonds, corporate stocks, or other property from which it may have had its source. That it may automatically immediately become incorporated into the estate of the owner or invested thereafter to yield an income, or is spent, given away, or consumed, does not destroy the property entity of the value it had when it accrued. The fact that the property existed and was owned by the taxpayer at one time is indestructible.

I suppose the objection of the Senator goes only to computations on incomes arising from property, real and personal, and not to those on incomes from business.

The question really presented for consideration is whether the provision of the bill for the tax for the current year is retroactive in its operation and imposes a liability for taxes before the enactment of the law, and is for this reason unconstitutional.

The constitutional amendment under which this tax in part is imposed without apportionment ordains:

"The Congress shall have power to lay and collect taxes *on incomes* from whatever source derived, without apportionment among the several States and without regard to any census or enumeration."

It is well settled that—

"The language of a constitutional amendment should be read in connection with the known condition of affairs out of which the occasion of its adoption may have arisen, and then construed, if there be therein any doubtful expressions, in a way, so far as is reasonably possible, to forward the known purpose or object for which the amendment was adopted." (Maxwell *v.* Dow, 176 U. S., L. Ed., Book 18, p. 597.)

It is a part of the history of this country that much of the personal property owned by everyone, and the great accumulations of wealth in the hands of the few, had for years escaped taxation. They could not be taxed direct without apportionment, which was not deemed advisable. The income-tax law of 1894 was enacted to remedy this injustice and to make this property bear its just proportion of the expenses of the Government.

The Supreme Court of the United States held that tax, in so far as it was imposed upon incomes received from real estate and personal property, to be a direct property tax and, being levied without apportionment, unconstitutional. The tax upon incomes which arose from other sources, and upon which an excise tax could be imposed, was not held void for that reason, but the contrary conceded. (Pollock *v.* Farmers' Loan & Trust Co., 158 U. S., 618, 630; L. Ed., Book 39, 1119, 1123.)

The sixteenth amendment to the Constitution was proposed and adopted to authorize Congress to impose a tax like that of 1894, after which this is modeled, and which is proposed to be enacted under that power, in so far as it taxes incomes arising from real and personal property. Congress already had the power to impose a tax without apportionment on incomes arising from gains, profits, or other acquisitions in a business ordinarily called an excise tax. (Flint *v.* Stone Tracy Co., 220 U. S., 106; 55 L. Ed., 398.)

There are two grounds upon which, in my opinion, the tax for the current year can be sustained.

First. The Congress has general power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States, unlimited save that duties, imposts, and excises shall be uniform throughout the United States, and no capitation or other direct tax shall be laid unless in proportion to the census or enumeration, directed to be taken decennially, nor on articles exported from other States. (Constitution, Art. I, secs. 8 and 9.)

The Constitution contains no provision prohibiting the Congress from imposing a tax upon property owned or business done by the taxpayer previous to the enactment of the law levying the tax. The general rule is that the Congress, within constitutional limitations, has absolute power to determine the objects of taxation and the method of the assessment of the tax. (Cooley's Con. Lim., 737; Flint *v.* Stone Tracy Co., 220 U. S., 167; Weston *v.* City of Charleston, 2 Pet., 466.)

Therefore if the bill be construed to impose the tax for the current year on account of the ownership of incomes received—property owned and business done previous to the enactment of the law—it is within the power of Congress, without constitutional objection, and valid.

There is no constitutional prohibition of retroactive legislation which will affect this tax. (Black's Con. Law, 753; Cooley's Con. Lim., 529; Satterlee *v.* Mattheson, 2 Pet., 380 Drehman *v.* Stifle, 8 Wall., 595.)

If the constitutional amendment changes or authorizes Congress to change the classification of a tax on incomes derived from property from that of a direct tax to that of an excise tax, and the tax here imposed is one of the latter class, then the provision for computing incomes before the enactment of the bill is clearly a mere method of assessment and not only allowable, but usually done in assessing excise taxes. The authorities authorizing this manner of assessment of excise taxes will be hereafter stated.

Second. The provision of the bill requiring incomes received by the taxpayer from all sources, from March 1, 1913, to be computed in ascertaining the tax to be paid for the current year is not the imposition of a retroactive tax, but the method of assessment of the tax imposed for that part of the current year after the enactment of the law, consisting in part of a property tax and in part of an excise tax, and is valid and constitutional.

It is immaterial what the tax is called. The courts will treat it according to its correct classification as ascertained by the legislative intent disclosed in the bill when construed in the light of its legislative and judicial history. I am inclined to think the tax imposed is a property tax in part and an excise tax in part. It is a property tax so far as imposed upon incomes accruing to the taxpayer from real and personal property, and an excise tax so far as laid upon incomes arising from all other sources. I do not think the constitutional amendment was intended to change the classification of the tax, but merely to allow it to be imposed without apportionment.

In so far as it is a property tax, it is imposed upon the taxpayer as the owner of so much property—that certain portion in value of his property which he acquired as an income from real and personal property—during certain periods for the current year, from March 1 to December 31, and thereafter annually. The extent of the property—the portion of the estate of the taxpayer upon which he is taxed—is thus measured by the income received during said periods, to be ascertained and fixed as in the bill prescribed. This, under the Pollock cases, is a direct tax, but it is now authorized, without apportionment, by the constitutional amendment under which it is proposed to be enacted.

It is an excise tax so far as it is imposed on incomes from all other sources, as has been decided by the Supreme Court in many cases.

There seems to be no valid objection to imposing the two classes of taxes in the same law. This was done in the act of 1894 and not considered objectionable. The court, referring to it in the Pollock cases, expressly stated that this point did not affect its decision. (158 U. S., 636; L. Ed., 1125.)

The Congress, within constitutional limitations, has plenary power to select the objects of taxation and the methods by which the tax imposed shall be levied, assessed, and collected. It may, with proper uniformity, tax all the property of the taxpayer or only a portion or a certain kind of it. It may impose an excise tax on all business, avocations, or on part of them. It also has almost unlimited power in providing for the selection of the property to be taxed, and all necessary machinery for the assessment of the same for taxation and for the collection of the tax. These principles are elementary. (Cooley's Con. Lim., 737, 739; Cooley's Taxation, vol. 1, 602–604.)

In the case of Flint *v.* Stone Tracy Co. (230 U. S., 167; 55 L. Ed., 420) it is said:

"We must not forget that the right to select the measure and objects of taxation devolves upon the Congress and not upon the courts, and such selections are valid unless constitutional limitations are overstepped."

All the authorities agree that the basis of an assessment for taxation may be retrospective. (Cooley on Taxation, vol. 1, p. 492.)

The same method, it is true, is here provided for assessing the property tax and the excise tax imposed, but I can see no objection to the bill on this account. It is equally applicable to both taxes and makes the machinery less complicated and easier of operation. Direct taxation by reason of the ownership of property and an excise tax upon business are merely different methods by which the same end is reached; that is, by which the taxpayer is made to contribute out of his property to the support of the Government.

As before stated, the provision of the bill requiring the computation of incomes received by taxpayers during the periods mentioned in the bill is merely the basis for the assessment of the tax, and it is well settled that incomes received before the law is passed may be considered in ascertaining the tax to be paid for the first year.

The excise cases decided by the Supreme Court of the United States sustain these conclusions. They are directly in point in so far as the property taxed arises from incomes from business subject to an excise tax and clearly analogous where the income arises from real and personal property, both of which are to be found in this bill.

The court has held in all these cases that the tax to be collected may be measured by the business done, the profits made, the dividends accrued, and the gains made for periods previous to the enactment of the law imposing the tax, in some other cases a part of the year, like the present law, and in others the year previous to that in which the law was enacted.

It is also held that where the basis fixed for the assessment is a percentage on the capital stock or business done by a corporation, and that in this way assets which are exempt from taxation and business not taxable are included in making the assessment, the validity of the tax imposed is not affected.

In Home Ins. Co. *v.* N. Y. (134 U. S., 594; 33 L. Ed., 1025) the tax in question was imposed upon the privilege of the complainant to do business as a corporation within the State and was measured by the extent of the dividends of the corporation of the current year upon the capital stock, some two million dollars of which were invested in bonds of the United States exempt from taxation. The tax was attacked because this mode of assessing the same included the value of exempt property. The court, in sustaining the tax, said:

"It is not a tax in terms upon the capital stock of the company, nor upon any bonds of the United States composing a part of the stock. The statute designates it a tax upon the 'corporate franchises or business' of the company, and reference is only made to its capital stock

and dividends for the purpose of determining the amount of the tax to be enacted each year. The validity of the tax can in no way be dependent upon the mode which the State may deem fit to adopt in fixing the amount for any year which it will exact for the franchise. No constitutional objection lies in the way of a legislative body prescribing any mode of measurement to determine the amount it will charge for the privilege it bestows."

The case of the State of Maine *v.* Grand Trunk Ry. Co. involves an excise tax levied by the State upon railroad corporations for the privilege of exercising their franchise within the State, the tax being fixed by a certain percentage of the transportation receipts of the company, including interstate and foreign commerce, for the previous year. The tax was assailed upon the ground that it was a burden upon interstate commerce and the business done in a former year. The court sustained the tax. In the opinion, among other things, it is said:

"The character of the tax or its validity is not to be determined by the mode adopted in fixing its amount for any specific period or the time of its payment. The whole field of inquiry into the extent of revenue from sources at the command of the corporation is open to the consideration of the State in determining what may be justly exacted for the privilege. * * *

"And if the inquiry of the State as to the value of the privilege were limited to the receipts of certain past years instead of the year in which the tax is collected it is conceded that the validity of the tax would not be affected; and if not, we do not see how a reference to the results of any other year could affect its character. There is no levy by the statute on the receipts themselves, either in form or fact; they constitute, as stated above, simply the means of ascertaining the value of the privilege conferred."

In Stockdale *v.* Atlantic Ins. Co. (87 U. S., 341, 22 L. Ed., 350) an excise tax assessed upon dividends declared by the company previously was held to be valid. Mr. Justice Miller in his opinion said:

"The right of Congress to have imposed this tax by a new statute, although the measure of it was governed by the income of the past year, can not be doubted; much less can it be doubted that it could impose such a tax on the income of the current year, though part of that year had elapsed when the statute was passed. The joint resolution of July 4, 1864, imposed a tax of 5 per cent upon all incomes of the previous year, although one tax on it had already been paid, and no one doubted the validity of the tax or attempted to resist it."

Flint *v.* Stone Tracy Co. (220 U. S., 55 L. Ed., 410)—the corporation-tax case—is the latest excise-tax case. All the cases where excise taxes have been attacked, because in the measurement or assessment of the tax property nontaxable, and profits, incomes, and business accruing previous to the passage of the law, were included and valued, are reviewed, and it is there held that the Government may use these methods in *measuring or assessing* the tax imposed without affecting the validity of the tax.

I think the principle controlling all these cases is the same here involved, and sustains the tax proposed to be imposed.

There is nothing in the amendment requiring the tax to be paid or collected out of the specific moneys constituting the income accruing during said periods, and what the taxpayer does with the moneys constituting his income is immaterial. It can not have the effect to relieve him of the tax imposed upon him as the owner of property of its value. This tax, like all other taxes, is a debt due to the Government, and collectible out of any of the taxpayer's property that may be found. If the law was otherwise, the payment and collection of the tax would be dependent upon the ability of the taxpayer to dispose of his income before the authorities could seize it for the payment of his just contribution to the expenses of the Government.

The statutes of a majority, if not all, of the States provide that property shall be assessed against the owners upon some certain day of the year and that transfers after that shall not affect the assessment. The owner of the property upon the day of the assessment is liable for the tax thereon according to the assessment made, notwithstanding the general assembly, municipal council, or other taxing power may levy the tax on a subsequent day of the year. The property of the citizens taxed for that year is here measured by that which they own on the day fixed for the assessment, and which is made as of that day. These laws have never been questioned so far as I can find.

The provisions of this bill upon this question are not different from the income-tax laws of England and those heretofore enacted in this country.

The English income tax enacted June 28, 1853, provided that the same should be operative and effective from and after April 5, 1852, and of course included incomes accruing previous to its enactment.

The income tax imposed by Congress August 5, 1861, expressly provided that—

"the tax herein provided shall be assessed upon the annual incomes of the persons hereinafter named for the year next preceding the 1st of January, 1862, and the said taxes when so assessed and made public shall become a lien upon the property or other sources of said income for the amount of the same, with the interest and other expenses of collection until paid." (12 Stat. L., 309.)

Here the tax was imposed upon the incomes accruing between January 1, 1861, and August 5 of that year, the day of the enactment of the law.

The act of July 14, 1862, superseding the one above stated, provided for the assessment upon incomes received from and after January 1 of that year, or for a period of six months before the act was passed.

The income tax of 1894, enacted in August of that year, provided for the taxation of incomes from the beginning of the current year and was attacked upon this ground. The question was not decided in the cases which reached the Supreme Court of the United States, but it was held by the Supreme Court of the District of Columbia in the case of Moore *v.* Miller, decided January 23, 1895, that there was nothing in the objection. In that case Hagner, J., said:

"This provision is of the same character as those appearing in the former income acts of the United States.

"The first act, passed on the 5th of August, 1861, declared that from and after the 1st of January, 1862, there should be levied an income tax, which should be assessed in the first instance 'upon the annual income for the year preceding the 1st of January, 1862,' thus including in return the income that had accrued during the seven months next preceding the passage of the law.

"The act of the 14th of July, 1862, which superseded the first law, declared that the tax should be levied on the 1st of May, 1863, upon the income of the preceding year ending the 31st of December, 1862, including thereby the six months and a half of the year that had expired at the time the act was passed.

"The English act of 1853, passed on the 28th of June, 1853, declared that the income tax thereby established should be operative from and after the 5th day of the preceding April.

"No authority was quoted in support of this contention, and I have been unable to discover any if it exists.

"But the very point appears to have been decided the other way in 20 Wallace, 331 (Stockdale *v.* Ins. Co.), where Mr. Justice Miller said: 'The right of Congress to have imposed this tax by a new statute, although the measure of it was governed by the income of the past years, can not be doubted; much less can it be doubted that it could impose such a tax on the income of the current year, though part of that year had elapsed when the statute was passed. The joint resolution of July 4, 1864, imposed a tax of 5 per cent on all incomes of the previous year, although one tax on it had already been paid; and no one doubted the validity of the act or attempted to resist it.'"

In a Pennsylvania case, in which a tax in substance was imposed upon incomes, a similar question was presented and held not to affect the validity of the law:

"This act clearly intended to levy a tax of 3 per cent on the profits or income of the business, and was not meant to tax capital. Profits must necessarily be the net profits of the business, and the Commonwealth was to receive of them 3 per cent. It was in fact a tax upon the income of the business in which the defendants were engaged. The English income tax and the United States income tax are based upon the incomes received in preceding years. The present United States income tax is laid upon the income of 1862, and the act of Congress of the 5th of August, 1861 (12 Stat. L., 309), expressly declares that 'the tax herein provided shall be assessed upon the annual income of the persons hereinafter named, for the year next preceding the 1st of January, 1862, and the said taxes, when so assessed and made public, shall become a lien upon the property or other resources of said income for the amount of the same, with the interest and other expenses of collection until paid.

"It is clearly, therefore, perfectly constitutional, as well as expedient, in levying a tax upon profits or income, *to take as the measure of taxation* the profits or income of a preceding year. To tax is legal, and to *assume as a standard* the transactions immediately prior is certainly not unreasonable, particularly when we find it always adopted in exactly similar cases. The tax is graduated upon each individual upon his individual receipts."

The Wisconsin income tax law went into effect July 5, 1911, but provided for taxing all incomes received during that year. The act was attacked, among other grounds, upon the contention that it was retroactive and void under the constitution of that State. The court in disposing of this question said:

"One further objection we overrule here without comment, for the reason that it seems very unsubstantial, namely, the objection that the law is retroactive and void, because assessed on incomes received during the entire year 1911, while it did not go into effect until July 15 of that year, and also because it includes profits derived from the sale of property purchased at any time within three years previously." (Income Tax cases, 148 Wis., 456, 514.)

In Wisconsin & M. R. Co. *v.* Powers (191 U. S., 379; 48 L. Ed., 229) a statute was sustained which made the income of the railway company within the States, including interstate earnings, the prima facie measure of the value of the property within the State for the purpose of taxation. In the course of the opinion the court said:

"In form the tax is a tax on 'the property and business of such railroad corporation operated within the State,' computed upon certain percentages of gross income. The prima facie measure of the plaintiff's gross income is substantially that which was approved in Maine *v.* Grand Trunk R. Co." (142 U. S., 217, 228.)

The statute of Minnesota, passed for revenue purposes in 1905, levied a property tax to be computed upon the gross receipts of corporations doing both domestic and interstate business, the last of which, of course, could not be taxed by the State, as such a tax would be a burden upon interstate commerce and in violation of the commerce clause of the Federal Constitution. The Supreme Court of the United States sustained this statute and upheld the tax. In the opinion delivered for the court by Mr. Justice Day it is said:

"Upon the whole we think the statute falls within that class where there has been an exercise in good faith of a legitimate taxing power, the measure of which taxation is in part the proceeds of interstate commerce, which could not in itself be taxed and does not fall within that class of statutes uniformly condemned in this court, which show a manifest attempt to burden the conduct of interstate commerce, such power, of course, being beyond the authority of the State." (Express Co. *v.* Minn., 223 U. S., 335.)

These two last cases seem to be directly in point. They involved statutes imposing property taxes, measured or assessed by methods which involved in part the computation of property and incomes not within the taxing power of the State. This was but an application of the general principle that the legislature has *the power to prescribe any method of assessment of property for taxation* that may be deemed wise and efficient and illustrates the important *distinction between the subject* of taxation and *the method of assessment* of taxation.

I think the amendment without merit and the provision of the bill called in question constitutional.

Mr. SUTHERLAND. Mr. President, I suggest to the Senator from Mississippi that it might be well to have these opinions printed also as a Senate document. The matter will be in better type and more readable if we have them printed in that way.

Mr. WILLIAMS. If that is desired, then I shall also ask that these opinions may be printed as a Senate document. I make that request.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and it is so ordered.

Mr. BRISTOW. Mr. President, before we begin on the income-tax provision I should like to inquire of the chairman of the Finance Committee when he expects to return to the paragraphs that have been passed over? There must be 100 of them, and it seems to me we ought to know just when we are to take them up and finish them.

Mr. SIMMONS. I am sure that by the time we have finished the income-tax section and the administrative sections of the bill the committee will be through its consideration of the various matters that have been referred back to it. It was our plan then to begin at the beginning and take up each paragraph

and consider and determine the matters that have been passed over.

Mr. BRISTOW. The Senator desires first to take up the income-tax and the administrative features before he returns to the paragraphs that have been passed over?

Mr. SIMMONS. That is the plan I desire to follow.

Mr. BRISTOW. The reason I spoke of it was that I thought Senators ought to know about when those paragraphs will come up.

Mr. SIMMONS. I am very glad the Senator asked the question, so that I might make a general statement on the subject, because Senators are coming to me and asking me about the matter from time to time.

The reading of the bill was resumed, beginning on page 165, under the heading "Section II."

The next amendment of the Committee on Finance was, in Section II, subdivision 1, page 165, line 2, before the word "and," to insert "collected"; in line 7, after the word "income," to strike out "over and above $4,000" and insert "except as hereinafter provided"; and in line 9, after the word "levied," to insert "collected," so as to make the paragraph read:

A. Subdivision 1. That there shall be levied, assessed, collected, and paid annually upon the entire net income arising or accruing from all sources in the preceding calendar year to every citizen of the United States, whether residing at home or abroad, and to every person residing in the United States, though not a citizen thereof, a tax of 1 per cent per annum upon such income, except as hereinafter provided; and a like tax shall be assessed, levied, collected, and paid annually upon the entire net income from all property owned and of every business, trade, or profession carried on in the United States by persons residing elsewhere.

The amendment was agreed to.

The Secretary proceeded to read subdivision 2, on page 165, and read down to line 20, as follows:

Subdivision 2. 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 and does not exceed $50,000.

Mr. BORAH. Mr. President, I am not going to enter upon any extended discussion of this provision, but I suggest to the committee, or to the Senators having this part of the bill in charge, that it seems there ought to be a different arrangement and proportion with reference to the surtax.

The bill now reads:

One per cent per annum upon the amount by which the total net income exceeds $20,000 and does not exceed $50,000, and 2 per cent per annum upon the amount by which the total net income exceeds $50,000 and does not exceed $100,000, and 3 per cent per annum upon the amount by which the total net income exceeds $100,000.

If I were permitted to have my way, I would have the provision read as follows:

One per cent per annum upon the amount by which the total net income exceeds $10,000 and does not exceed $30,000, and 2 per cent per annum upon the amount by which the total net income exceeds $30,000 and does not exceed $50,000, and 3 per cent per annum upon the amount by which the total net income exceeds $50,000 and does not exceed $100,000, and 4 per cent per annum upon the amount by which the total net income exceeds $100,000.

I think we ought to bear in mind that which is proven to be well founded in experience, and that is that the man with a small income always pays more completely upon his income than the man with a large income. If a man has an income of $5,000 a year, he will come closer to paying the tax upon $5,000 a year than the man who has an income of $40,000 a year. I presume that has been the experience of all countries with reference to this matter. Therefore, if we are going to reach proportionately the men with large incomes, it seems to me we must raise the grade of taxation more than is here specified.

I think I shall not offer the amendment formally, because I presume the matter has been thoroughly considered by the committee and the amendment would not prevail. But if it is the design of the committee to reach the man who pays $50,000 as fully as the man who pays $20,000, they will have to change the rate of tax from that which is found in the bill. Besides, I think a person who has an income of $100,000 a year can well afford to pay a tax of 4 or 5 per cent upon that amount, and he will not suffer inconvenience in so doing, and it will not be so difficult for him to part with that amount of money as in the case of the man who pays the rate here proposed upon an income of $10,000 or $15,000 a year.

Mr. BRISTOW. Mr. President, if the Senator will yield for a moment, I desire to offer an amendment to this part of the bill. I have not the amendment prepared now, because I had no idea this part of the bill would be taken up this afternoon, and I do not wish to be foreclosed from offering the amendment in the morning.

Mr. SHIVELY. The Senator certainly will not be foreclosed. I do not propose to discuss at length the question raised by the Senator from Idaho [Mr. BORAH]. There is a fiscal question involved here as well as an economic question. With us the fiscal question is of first moment.

The Senator from Idaho is evidently discussing this matter largely from the economic standpoint. There is a difficulty always confronting a body that has to pass upon the question of where an income tax should begin. In England it begins with an income of £160, about $800. Here we have fixed it at $3,000, or at nearly four times as high an amount.

It is difficult to grade an income tax on the theory on which the Senator from Idaho proceeds. Of course it requires about so much to sustain a family. While there are large differences as to the amount of income required in this station in life and that station in life, the question confronting us was a fiscal question, a question of raising sufficient income which, added to other income, will pay the expenses of government.

Mr. GALLINGER. If the Senator will permit me, the Senator suggested that we had fixed the minimum at four times that of Great Britain, or more than that. Has not the committee fixed it at $3,000 by amendment?

Mr. WILLIAMS. It has fixed it at $3,000 for a single man, and $4,000 for a man with a family.

Mr. GALLINGER. So that it would be a little less than four times as much.

Mr. SHIVELY. The minimum would be a little less than four times as much.

Mr. GALLINGER. Precisely.

Mr. BORAH. I do not understand the difficulty in the fiscal proposition as applied to my amendment. It does not make any difference, except that it is calculated to raise more revenue. Senators on the other side may be assured that they will not have any surplus. Besides that, if there is going to be a remitting of taxes it can very well afford to be elsewhere than upon fortunes which bring in an income of $100,000 a year.

I do not see where the difficulty arises as to the fiscal proposition. I realize perfectly how difficult it is to adjust an income tax in the first instance to all conditions, but I do not understand at this time where the difficulty arises with reference to this particular suggestion.

The Senator from Indiana [Mr. SHIVELY] has referred to the fact that England has an exemption of about $800. That is true, but England also has a rebate which she allows up to $3,500, and in addition to that England raises her revenue in an entirely different way proportionately from the way in which we raise ours.

According to the estimates made this year in the budget speech of Mr. Lloyd-George the customs income of that country this year will be £32,200,000, and the excise income £38,850,000. Those are the indirect taxes which fall most heavily upon the consumer. The direct taxes are as follows: Death duties, £26,760,000; land taxes and house duties, £2,230,000; income and surtax, £45,950,000.

We will raise about one-eighth of our income, according to this bill, from the income tax. The rest of it will be raised from taxation upon consumption. The English Government, on the other hand, raises practically one-half of its income from the income or direct tax system. So when we have adjusted the matter in accordance with the actual facts it will be found, in my judgment, that the English Government has quite as large an exemption as this Government will have even after we have adopted the suggestion I have made.

In addition to that, England has adopted the differentiation plan. That is to say, England distinguishes as to the sources of income. In addition to the exemptions to which I have referred, she provides for a lower rate for all earned incomes and a higher rate for all unearned incomes, or incomes over $10,000. If the two bills are laid down side by side, it will be found, in my judgment, that we are giving no greater exemption than the English law does in its practical workings.

Mr. LODGE. If the Senator will permit me, I think the English additional tax to which he has referred goes on at £3,000, or $15,000. I think it is £3,000, or $15,000, in round numbers, in our money.

Mr. BORAH. The Senator may be correct. I thought it was £2,000, or $10,000; but the Senator may be correct.

I think I shall offer the amendment, anyhow. I shall not take up the time of the Senate in discussing it, but I shall ask to have it passed upon. I will state the entire amendment, so that it will be in consecutive form.

After the word "exceeds" in line 19, page 165, I move to strike out all down to the period after the figures "$100,000" in line 3, page 166, and to insert in lieu thereof the following:

Ten thousand dollars and does not exceed $30,000, and 2 per cent per annum upon the amount by which the total net income exceeds $30,000 and does not exceed $50,000, and 3 per cent per annum upon the amount

by which the total net income exceeds $50,000 and does not exceed $100,000, and 4 per cent per annum upon the amount by which the total net income exceeds $100,000.

Mr. LODGE. The Senator has read the amendment. It seems to me he has not got the proportion quite right. He makes a jump of 1 per cent from $10,000 to $30,000, then he makes a jump of 1 per cent from $50,000 to $100,000. The gap between $50,000 and $100,000 is a great deal bigger than the gap between $10,000 and $30,000.

Mr. BORAH. Yes; perhaps it would be better to make the correction suggested.

Mr. LODGE. I am not quarreling with the amount of tax the Senator imposes on the $100,000 income or the $50,000 income; but in dividing the $100,000 it seems to me he makes his first increase too soon. I think it would better reach the same point and would be better proportioned if he divided more equally. From $10,000 to $30,000 he jumps once.

Mr. BORAH. And from $30,000 to $50,000.

Mr. LODGE. And from $30,000 to $50,000.

Mr. BORAH. And from $50,000 to $100,000.

Mr. LODGE. That is a jump of $20,000 each time at first and then $50,000. It is merely a question of proportion.

Mr. BORAH. I will take the suggestion.

Mr. LODGE. It seems to me the only way to distribute the rise before you get to $100,000 is to distribute it every $20,000, or whatever you divide on.

Mr. JONES. Why not jump from $50,000 to $75,000 and then from $75,000 to $100,000?

Mr. NORRIS. I should like to suggest to the Senator a jump from $50,000 to $75,000 at 4 per cent, or put another step in there, and then above $100,000 make it 5 per cent instead of 4 per cent.

Mr. BRISTOW. Mr. President, while suggestions are being made, if the Senator will yield to me, I should like to suggest what I had in mind when I made the statement and expected to offer an amendment—1 per cent per annum upon the amount by which the total net income exceeds $10,000, and that then we go up step by step, adding 1 per cent for each additional $10,000 until we reach the maximum of $100,000, making the total income tax 10 per cent on all over $100,000. That does not have as large jump, and the man who is receiving $100,000 a year can afford to pay $10,000 a year tax to the Government just as well as the man who has an income of $10,000 a year can afford to pay what this would impose upon him, and much better. It is not any greater hardship and would secure a more equitable adjustment.

I make the suggestion to the Senator. I should like to have him fix his amendment that way, and if he does not I should like to offer mine, because that comes more nearly meeting my judgment than anything which has yet been suggested.

Mr. BORAH. I think I shall ask to have the amendment voted on as I offer it, and perhaps when the Senator from Kansas offers his amendment we can get another chance to meet that proposition.

Mr. SHIVELY. Permit me to inquire of the Senator from Idaho if he has made an estimate of the amount of revenue that would be produced in the event his amendment is adopted.

Mr. BORAH. No, Mr. President, I have not; neither have I seen any estimate made by anyone else that was worth anything to anybody as a guide. The estimate which has been made, so far as I can ascertain, is purely speculative.

Mr. SHIVELY. Of course there will always be an element of uncertainty and speculation in putting in force an income tax. It has been estimated that the tax as provided in the bill when in full force will produce about $100,000,000 annually. Of course the main purpose is to provide for the fiscal necessities of the Government, not to provide a system for the redistribution of property or a system with reference particularly to its economic effect. It is with more particular reference to raising the required means with which to pay the expenses of the Government, and on that basis this has been provided in the bill.

I hope we shall have a vote on the amendment.

Mr. BORAH. If the estimate which the committee has made with reference to the proposed income tax be even made with any degree of certainty or accuracy, then it would not be very difficult to tell what this rate would produce. But, Mr. President, even at the present time, after all the experience which has been had in regard to the income tax in other countries, it is the most uncertain tax with reference to estimates that there is. A few years ago when they changed the tax entirely in England, when Mr. Asquith introduced the differentiating feature, he estimated they would lose a certain amount, a very large amount. Instead of losing that amount they actually collected a very large amount in excess of what the tax had been the year before.

Therefore, I do not criticize or find fault with what I believe to be the purely speculative estimate of the committee, but I think it is purely speculative.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Idaho [Mr. BORAH].

Mr. WILLIAMS. Mr. President, this schedule constitutes to the extent to which it goes the introduction of an entirely new fiscal system. It is, so far as it goes, revolutionary of existing tax methods. The object of levying the tax, of course, is to provide a revenue, and in addition to that, to a large extent to relieve the backs and the stomachs of people of burdens under the present system and to place those burdens, as far as may be, upon the backs of those who are able to stand them, to begin a system at any rate, of taxing people according to their ability to pay and not according to their necessities.

Now, like every new thing, the best speed is made in the long run by going slowly at first. It is always the safest method to make your first effort as simple as you can and not complicate it with too many other things.

What we are doing with this income tax is a totally different thing from what we hope to do some day. We do not want to collect any more revenue than we need. The Senator from Idaho says it is largely speculation instead of calculation; but we have calculated as well as we could how much income tax we would need after the reduction of the duties upon consumption. Evidently his amendment would very much increase whatever sum we might attain. Having concluded that we had enough, we are not taxing the people's incomes even for fun, nor are we taxing them for the purpose of building up a system. The time may come, and I hope will come some day, when all taxes for the Government will be raised by taxing the citizens in proportion to their ability to pay. But the Senator knows as well as I do that we can not go at that sort of thing too quickly. We can not revolutionize things too rapidly. We must have some regard to existing conditions. In revising the tariff we have tried to have that in view. In the opinion of most of you on the other side of the Chamber, our attempt is awkward and approximate, and all that, while in our own opinion it is about as intelligent as anything you ever did on the subject.

Having accomplished that, we made up the difference that we need in revenue from the income tax. We think this will make it. We saw no use in either raising the rate or changing the point of demarcation so as to increase the amount of revenue, which is what would be the effect.

Now, the Senator says, and says very properly, that this income tax might be complicated so as to make it still fairer than it is in a way. For example, there might be a difference in exemptions, a difference in rates dependent upon the source of the income, whether it came from inherited estates, whether it came from bonds that were laid by, or whether it came from the compensation in the shape of salary or wage to the taxpayer; but we thought it well now to proceed slowly and cautiously and upon as simple grounds as we could inaugurate the system, and after awhile the American people will have people here to represent them who will perfect it, and as it is perfected the taxes upon consumption will dwindle more and more and the income tax will more and more take their place.

I hope for those reasons the amendment will not be adopted.

Mr. BRISTOW. Mr. President, the Senator from Mississippi speaks of the amount of revenue. It seems to me that this tax on incomes could be very properly increased and the tax on corporations abolished. It is a well-known fact that nine-tenths or more of the tax on corporations is simply passed on to the consumers. The corporation, in fact, does not pay it; it charges it up as an expense, and the public pays the tax.

Now, if you abolish the tax on corporations altogether and increase the tax on incomes on a graduated scale you will get a far more equitable system, it seems to me, than that proposed in the pending measure.

Mr. WILLIAMS. Then the result of the Senator's scheme would be to tax the individual citizen and leave the corporation untaxed. Now, whether the corporation can or can not pass on all this tax is a question. Of course it can pass some of it on, but the Senator will note that throughout the bill the so-called additional tax is not levied upon corporations at all. It is only the normal tax that corporations pay.

Mr. BRISTOW. I know, but——

Mr. WILLIAMS. So when you get above a certain amount this additional tax levied upon corporations is not a thing that would be subject to the objection made by the Senator. They pay merely the normal tax. To say that the great Steel Trust, merely because it may be that it can pass on the tax, shall pay nothing, strikes me as taking a position that the Senator will reconsider.

Mr. BRISTOW. My position so far as the corporation tax is concerned is the same that it was four years ago. I voted against a corporation tax then because I favored an income tax instead of a corporation tax. A stockholder in a corporation who holds only a thousand dollars' worth of stock pays just as much in proportion to what he has got as if he owned a million dollars' worth. I do not think it is an equitable or just system of taxation.

Then the Senator must know that these corporations simply charge up the corporation tax only as an expense which they incur in doing business, the same as any other expense, and it is charged to the people who consume their product or who utilize their facilities, whatever the character of the operation may be.

The income tax is a tax levied upon the income a man has, and if it is properly proportioned it rests far more equitably upon his ability to pay than the corporation tax possibly can.

Mr. WILLIAMS. There is no distinct corporation tax in this, if that is what the Senator means, except for a part of a year to continue the old tax. The taxes levied upon corporations here is simply an income tax, and a normal income tax at that.

Mr. BRISTOW. It continues the old tax. That is what I am objecting to.

Mr. WILLIAMS. We continue the old tax for a part of the year, during which we can not levy the new tax. Then after that time that part of the tax upon corporations becomes an income tax.

Mr. CUMMINS. Mr. President, I think it can not be disputed that we ought to limit our taxing power to the needs of the Government. It would be wrong and indefensible to collect $200,000,000 if we needed but $100,000,000.

I assume that the committee in making the estimate with regard to this phase of the law has some information as to the number of men who would pay 1 per cent upon incomes up to $20,000, the number of men who would pay a tax upon incomes from $20,000 to $50,000, and from $50,000 to $100,000. It would, therefore, be a very easy problem to take the information which the committee undoubtedly has to limit the effect of the law in producing a revenue, even though a redistribution were made concerning the rate of taxation.

I intend to vote for the amendment proposed by the Senator from Idaho, but if it really becomes a serious matter that we shall receive too much money by so doing, then I would want some such adjustment as this: That on incomes up to $20,000 only one-half of 1 per cent be levied, upon incomes from $20,000 to $50,000 three-quarters of 1 per cent, and go up in that way. But when you reach the high incomes, from $50,000 on, then I think the rate proposed by the Senator from Idaho ought to be employed in order to put the burden of government where it belongs, even though upon the incomes below $50,000 you reduce the rate of taxation.

There is no difficulty about that computation if the committee has an estimate of the number of men who are in possession of these various grades of incomes from $3,000 to $100,000 and above.

Therefore I hope the amendment proposed by the Senator from Idaho will be adopted, because it recognizes the right principle. Then, if we discover upon further investigation that it will bring too much money into the Treasury, let us reduce the rate upon the men of lesser income. In that way we will reduce the whole revenue and at the same time do full justice as between those who have the smaller incomes and the larger ones.

If it were not, Mr. President, for the fact that I think it is good public policy that a large number of people shall feel that they are contributing to the Government of which they are citizens, I would be in favor of raising the limit very much. I think it is a sound proposition that most of the people of the country ought to feel that they are contributing something to the maintenance of their Government in order to create a proper interest upon their part in the management or the conduct of their Government. If it were not for that, I would be in favor of increasing the limit proposed in the bill; but if, in order to levy a very fair and reasonable rate of taxation upon a man with an income of $100,000 a year, it is essential that the man with an income of but $3,000 shall pay one-half of 1 per cent, that is the arrangement which should be made. However, until proof is made in some way or other that the amendment proposed by the Senator from Idaho would raise more money than would be wise to put into the Treasury of the United States, I shall stand and vote for his amendment, but if the objection made to it is valid or has any foundation it is very easy to reduce the rate upon the lesser incomes.

Mr. BORAH. Mr. President, if we have any real fear of raising too much revenue, we can easily control that matter, in my judgment, when we get over to the exemptions by raising the exemption as may seem necessary; but what I rose to do was to ask leave to modify my amendment in accordance with the suggestions of some Senators, and I will restate it.

I move to strike out all after the word "exceeds," in section 2, subdivision 2, page 165, line 19, down to and including the figures "$100,000," on page 166, line 3, and in lieu thereof to insert:

Ten thousand dollars, and does not exceed $30,000, and 2 per cent per annum upon the amount by which the total net income exceeds $30,000 and does not exceed $50,000, and 3 per cent per annum upon the amount by which the total net income exceeds $50,000 and does not exceed $80,000, and 4 per cent per annum upon the amount by which the total net income exceeds $80,000 and does not exceed $100,000, and 5 per cent per annum upon the amount by which the total net income exceeds $100,000.

I ask for the yeas and nays on the amendment, Mr. President.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I announce my pair as on the former ballots and withhold my vote.

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. BRADLEY] and therefore withhold my vote.

Mr. LEWIS (when his name was caled). I have a general pair with the Senator from North Dakota [Mr. GRONNA].

Mr. REED (when his name was called). I announce my pair with the senior Senator from Michigan [Mr. SMITH] and withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT] and therefore withhold my vote.

Mr. SMITH of Maryland (when his name was called). I have a general pair with the Senator from Vermont [Mr. DILLINGHAM] and therefore withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. BURTON], and I therefore withhold my vote.

Mr. O'GORMAN (when Mr. THORNTON'S name was called). The senior Senator from Louisiana [Mr. THORNTON] is unavoidably absent. If he were present he would vote "nay."

Mr. TILLMAN (when his name was called). I have a general pair with the junior Senator from Wisconsin [Mr. STEPHENSON].

The roll call was concluded.

Mr. BANKHEAD. I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the senior Senator from Virginia [Mr. MARTIN], and vote. I vote "nay."

Mr. KERN. I transfer my pair with the Senator from Kentucky [Mr. BRADLEY] to the Senator from Louisiana [Mr. THORNTON] and vote. I vote "nay."

Mr. GALLINGER. I am requested to announce the pair existing between the Senator from Connecticut [Mr. BRANDEGEE] and the Senator from Ohio [Mr. POMERENE].

Mr. CHILTON. I transfer my pair with the Senator from Maryland [Mr. JACKSON] to the Senator from Arizona [Mr. ASHURST] and vote. I vote "nay."

Mr. McCUMBER. I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS]. He being absent, I withhold my vote.

Mr. POMERENE (after having voted in the negative). I cast my vote a moment ago without recalling the fact that I am paired with the Senator from Connecticut [Mr. BRANDEGEE]. That being the case, I withdraw my vote.

Mr. JAMES. My colleague [Mr. BRADLEY] is unavoidably detained from the Senate, but he has a general pair with the Senator from Indiana [Mr. KERN]. I will allow this announcement to stand for the day.

The result was announced—yeas 17, nays 47, as follows:

YEAS—17.

Borah	Cummins	Norris	Sterling
Brady	Jones	Page	Works
Bristow	Kenyon	Perkins	
Catron	McLean	Poindexter	
Clapp	Nelson	Sherman	

NAYS—47.

Bacon	James	Owen	Smith, Ga.
Bankhead	Johnson	Penrose	Smith, S. C.
Bryan	Kern	Pittman	Smoot
Chamberlain	Lane	Ransdell	Stone
Chilton	Lea	Robinson	Swanson
Clark, Wyo.	Lippitt	Root	Thompson
Fletcher	Lodge	Shafroth	Vardaman
Gallinger	Martine, N. J.	Sheppard	Walsh
Gore	Myers	Shields	Warren
Hitchcock	O'Gorman	Shively	Weeks
Hollis	Oliver	Simmons	Williams
Hughes	Overman	Smith, Ariz.	

NOT VOTING—31.

Ashurst	Culberson	Lewis	Smith, Mich.
Bradley	Dillingham	McCumber	Stephenson
Brandegee	du Pont	Martin, Va.	Sutherland
Burleigh	Fall	Newlands	Thomas
Burton	Goff	Pomerene	Thornton
Clarke, Ark.	Gronna	Reed	Tillman
Colt	Jackson	Saulsbury	Townsend
Crawford	La Follette	Smith, Md.	

So Mr. BORAH's amendment was rejected.

Mr. BRISTOW. Mr. President, as I have said, I desire to offer one or two amendments to subdivision 2, but I have not had time to prepare them since we took up the income-tax provision. I do not wish the section adopted until I can have an opportunity to offer the amendments. I will have them ready to-morrow morning.

Mr. WILLIAMS. I will make no objection to the Senator offering them to-morrow morning, and meanwhile we can proceed with the section.

Mr. BRISTOW. It is all right to proceed with the section, but I want an opportunity to offer the amendments to-morrow morning and have them voted on.

Mr. WILLIAMS. We agree that the Senator shall recur to that to-morrow morning for the purpose of offering the amendments.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 2, subdivision 2, page 166, line 5, after the word "applicable," to insert "and are not inconsistent with this subdivision of paragraph A"; and in line 10, after the word "his," to strike out "total" and insert "entire," so as to read:

Subdivision 2. 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 and does not exceed $50,000, and 2 per cent per annum upon the amount by which the total net income exceeds $50,000 and does not exceed $100,000, and 3 per cent per annum upon the amount by which the total net income exceeds $100,000. All the provisions of this section relating to individuals who are to be chargeable with the normal income tax, so far as they are applicable and are not inconsistent with this subdivision of paragraph A, shall apply to the levy, assessment, and collection of the additional tax imposed under this section. Every person subject to this additional tax shall, for the purpose of its assessment and collection, make a personal return of his entire net income from all sources, corporate or otherwise, for the preceding calendar year.

The amendment was agreed to.

The next amendment was, in section 2, subdivision 2, page 166, line 12, after the word "year," to insert:

Under rules and regulations to be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury. For the purpose of this additional tax, taxable income shall embrace the share of any taxable individual of the gains and profits of all companies, whether incorporated or partnership, who would be legally entitled to enforce the distribution or division of the same, if divided or distributed, whether divided or distributed or otherwise, and any such company, when requested by the Commissioner of Internal Revenue or any district collector of internal revenue, shall forward to him a correct statement of such profits and the names of the individuals who would be entitled to the same if distributed.

Mr. WILLIAMS. Mr. President, I ask, in behalf of the committee, that the amendment the Secretary has just read shall be recommitted to the committee. There is an amendment which the committee wants to propose to it.

Mr. ROOT. Mr. President, before the amendment goes back to the committee, I desire to ask that the committee consider the question whether it is possible that the gains and profits referred to in this provision can be regarded as the income of the individual stockholder when they are not divided or distributed. As I understand, this clause would have the effect of imposing an income tax on the aliquot share of each stockholder of a corporation in that part of the profits of the corporation for the year which might have been distributed but were not distributed.

Mr. WILLIAMS. Not precisely that; but such part of the income of the partnership or corporation as a partner or shareholder would have the legal right to force the distribution of.

Mr. ROOT. Not quite that, Mr. President.

Mr. WILLIAMS. That language, "if divided or distributed," is somewhat awkward, and for that very reason we want it to go back to the committee; but the object of the amendment was this: Here is a partnership, for example; the partners might make a very large amount of money, but they can effect an agreement whereby, instead of setting aside to each partner his income for that year, they allow it to go into the business, each partner to draw against the firm and make a showing of having no income at all from the partnership. Then, it was thought that for the purpose of obtaining revenue a corporation might now and then pass up a portion of its profits to surplus or otherwise refrain from distributing them. The clause, as here written, we wish to amend, because we do not think that it clearly accomplishes the purpose which we had in view; but what I have stated was the purpose we had in our mind.

Mr. ROOT. Mr. President, I understand that, but the clause is very blind.

Mr. WILLIAMS. And for that reason we put in the words "legally entitled to enforce the distribution."

Mr. ROOT. But taking it altogether, particularly considering the concluding words, I think it does aim to tax as income of the stockholder the profits of the corporation which are not divided. The concluding words are that the company "shall forward to the Commissioner of Internal Revenue a correct statement of such profits and the names of the individuals who would be entitled to the same if distributed."

I understand the law to be—I think it is the law in all of our States—that no stockholder has a right to demand a dividend from the profits of a corporation against the judgment of the directors or trustees of the corporation.

Mr. WILLIAMS. Then, in that case, it would not be legally enforceable.

Mr. ROOT. But there are no words here which impose such a limitation. The tax is to be imposed upon the individual stockholders' share of the profits when they are not distributed. It is the share he would have if they were distributed. It seems quite clear to me that that is not his income; he does not get it; he has no right to get it by law. He may sell his stock, and when those profits come to be divided in future years they would go to the purchaser. He may die, and those profits would go to any person who happened to have acquired the stock after his decease. It can not by any possibility, in accordance with our existing law, be regarded as income of the stockholder until the directors of the corporation have declared a dividend on it.

Mr. WILLIAMS. There is no doubt about that.

Mr. ROOT. And if you wish to reach the surplus profits of a corporation which ought to be divided, but are not divided, you must do it by taxing them as income of the corporation, not as income of the individual stockholder, because the moment you tax the interest of the individual stockholder in those profits you are taxing the interest represented by his stock—that is to say, you are taxing his principal and not his income.

Mr. BORAH. Mr. President——

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

Mr. ROOT. Certainly.

Mr. BORAH. I wish to say to the Senator from New York——

Mr. WILLIAMS. Just one word, if the Senator from Idaho will pardon me. I do not think the Senator from New York has paid quite sufficient attention to the phrase "who would be legally entitled to enforce the distribution or division of the same." However, we want to amend the clause so as to make it mean more clearly what we want it to mean.

Mr. BORAH. Mr. President, I have spent considerable time upon this clause, and so far I have been unable to determine, as a legal proposition, what it means. I entirely agree with the Senator from New York [Mr. ROOT] that until the directors declare a dividend it is not the property of the stockholders, and it could not be their income.

Mr. WILLIAMS. I suppose nobody ever disputed that legal proposition.

Mr. BORAH. I am very glad to have the Senator from Mississippi indorse it, because that makes it absolutely correct. This clause says:

For the purpose of this additional tax, taxable income shall embrace the share of any taxable individual of the gains and profits of all companies, whether incorporated or partnership, who would be legally entitled to enforce the distribution or division of the same, if divided or distributed.

While the Senator from Mississippi seems to think some of these propositions are indisputable, I should like to know what that means. To me, as a legal proposition, it is difficult to unravel. The language is "legally entitled to enforce." A stockholder is not legally entitled to enforce it until the board of directors have declared a dividend.

Mr. HUGHES. Would it not be possible that a dividend might be declared and not paid?

Mr. BORAH. Yes; that would be possible, but that would not meet this situation.

Mr. HUGHES. Then he would be entitled to enforce payment of the dividend at the hands of the corporation, and we ought to tax him on it.

Mr. BORAH. Yes; but it says "whether divided or distributed or otherwise."

Mr. ROOT. That is to say, this is to be taxed as income against a person who would be entitled to sue for it if it were divided, although it is not divided.

Mr. BORAH. Yes; but the difficulty is that if it is not divided he is not entitled to sue for it. Until the board of

directors have declared a dividend, a stockholder is not entitled to sue for his dividend.

Mr. ROOT. That is the foundation of my proposition.

Mr. BORAH. Exactly; and I agree perfectly with the Senator in regard to that; but, on the other hand, if that is taken out, then the question which will be submitted to the committee is, How are you going to avoid these large estates incorporating and availing themselves solely of the corporation tax and entirely escaping the payment of an income tax?

Mr. ROOT. By taxing the income of the corporation.

Mr. BORAH. Yes; you tax the corporation 1 per cent upon its net profits or earnings, and then you would get but the 1 per cent. The very difficulty which I presume this amendment was adopted to meet is the fact that they might incorporate, pay the 1 per cent upon their net earnings, and entirely escape the graduated tax or surtax. If there is not some way to meet that, that is precisely what may happen.

So it seems to me that as a legal proposition this language is somewhat involved and complex; and while the committee is readjusting the language it must take into consideration the fact that unless there is some provision by which to reach this kind of an income, it will entirely escape under the corporation tax.

Mr. WILLIAMS. Mr. President, has the request of the committee been put to the Senate?

The VICE PRESIDENT. To what portion of the paragraph does the Senator refer?

Mr. WILLIAMS. The clause beginning "For the purpose of this additional tax, taxable income shall embrace," and so forth, going down to the end of that amendment, should be sent back to the committee, and the rest agreed to.

The VICE PRESIDENT. The question is on agreeing to the portion of the committee amendment above line 14, page 166.

The portion of the amendment above line 14 was agreed to.

The VICE PRESIDENT. The remainder of the paragraph goes back to the committee.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in subdivision B, page 167, line 13, after the word "by," to insert the word "gift," so as to read:

B. That, subject only to such exemptions and deductions as are hereinafter allowed, the net income of a taxable person shall include gains, profits, and income derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, businesses, trade, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of or interest in real or personal property, also from interest, rent, dividends, securities, or the transaction of any lawful business carried on for gain or profit, or gains or profits and income derived from any source whatever, including the income from but not the value of property acquired by gift, bequest, devise, or descent.

Mr. CUMMINS. Mr. President, I do not rise to question the amendment immediately before us, but I should like a little information on the general principle involved in this paragraph.

If I understand this aright, if I have a farm and sell it for a thousand dollars, the money I would receive as the purchase price of the farm would be accounted as income; but if anyone were to give me a thousand dollars during the year, or if I were to receive it by bequest, devise, or descent, that would not be accounted as income.

Surely there must be some reason for that; and I should like to know the difference in principle between money I would receive from a sale of property I own and money I would receive by gift, devise, or bequest. If the one is income, why is not the other?

I may be wrong about my initial proposition, and if I am I should be very glad to be corrected; but if I am right about it, then I very much object to the exclusion of gifts and bequests.

Mr. SHIVELY. Mr. President, if I understand the Senator correctly, he is inquiring, for the purpose of illustrating what he has in mind, whether the price of a piece of land sold during the year would be regarded as income. My answer is that it would not be. The price of that land would be principal.

Mr. CUMMINS. Then, Mr. President, if that be true, the paragraph will have to be rewritten.

Mr. WILLIAMS. If the Senator will pardon me, I think I can tell him where he is making the mistake. He has gotten hold of the words "or sales or dealings in property, whether real or personal." He has forgotten to note that prior to that, and modifying and limiting and defining it, is this language:

The net income of a taxable person shall include gains, profits, and incomes derived from—

Then there follow, later on, the words:

Sales or dealings in property—

As well as various other things. So it refers only to gain, profits, and income derived from these things.

Mr. CUMMINS. Yes.

Mr. WILLIAMS. In other words, if a man during the year had bought a piece of property for $10,000 and sold it for $12,000, he would be taxable upon the $2,000.

Mr. CUMMINS. I do not so read it, Mr. President. It is said that—

The net income of a taxable person shall include gains, profits, and income.

And it does not define income as gains and profits, but it makes them all substantive—

gains, profits, and income derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, businesses, trade, commerce, or sales or dealings in property.

Mr. WILLIAMS. Why, of course. But for that a real estate dealer would escape with all of his profits during the year.

Mr. CUMMINS. It seems to me, in view of the language, that the amount received from the sale of property during a year would be regarded as income received during the year.

Suppose I had a piece of property for which I had paid $950 some time before and I sold it during the year for $1,000, does the Senator from Mississippi say that only $50 of that would be income?

Mr. WILLIAMS. The Senator seems to attach to the word "income" a meaning that is not attachable to it in this connection. "Income" means the net gains or profits. He seems to think that the word "income" is a broader word than "gains or profits derived from any source whatever."

Mr. CUMMINS. What is it used for?

Mr. WILLIAMS. A man's taxable income means his gains and profits during the year. Those gains and profits or income derived from any business of any description are taxed. If a man is engaged in dealing in horses, if he buys horses and sells horses and makes a profit or an income out of that dealing, he must pay a tax upon the income.

I do not know that I exactly catch the Senator's point. But if I do catch it, he seems to have in mind the idea that the word "income" means receipts of every sort. The income within the contemplation of a tax law does not mean that. It means net income, and is so defined in the bill. That means profits or gains.

Mr. CUMMINS. The Senator from Mississippi must certainly understand what I am trying to say. If applied to a general business, in which purchases and sales take place and gains and profits are reckoned, I can very well understand that the Senator from Mississippi is right, under the language of this bill. But suppose 10 years ago I had bought a horse for $900, and this year I had sold him for $1,000, what would I do in the way of making a return?

Mr. WILLIAMS. I will tell the Senator precisely what he would do.

Mr. CUMMINS. I mean, what would other men do?

Mr. WILLIAMS. I know; but what I mean is precisely what the Senator would do, or precisely what he ought to do. He bought the horse 10 years ago and sold him this year for a thousand dollars. That thousand dollars is a part of the Senator's receipts for this year, and being a part of his receipts, that much will go in as part of his receipts, and from it would be deducted his disbursements and his exemptions and various other things.

Mr. CUMMINS. Would the price I paid for the horse originally be deducted?

Mr. WILLIAMS. No, because it was not a part of the transactions in that year; but if the Senator turned around and bought another horse that year, it would be deducted.

Mr. CUMMINS. Mr. President, the answer of the Senator from Mississippi has disclosed very clearly the weakness that I have been attempting to point out. This provision, in the form in which it appears, is utterly unworkable. It would involve chaos among the people of this country if returns were attempted to be made in the way suggested by the Senator from Mississippi.

I have no amendment that will meet the emergency, because I did not dream that we would enter upon the consideration of the income-tax provision to-day. I only have to suggest that the sort of thing involved in the homely illustration of the purchase and sale of a horse—an instance which might not occur very often—would occur thousand of times every day in the sale of other kinds of property.

Mr. GALLINGER. Particularly real estate.

Mr. CUMMINS. Yes; by men who are not engaged in what is known generally as a vocation, but who do have occasion to buy and sell property from time to time.

Mr. BRISTOW. Mr. President, I desire to ask a question, and see if I have this matter clear in my mind. As I understood the question of the Senator from Iowa, it was, if he bought a horse 10 years ago for $100——

Mr. CUMMINS. Nine hundred dollars.

Mr. BRISTOW. And sold it this year for a thousand dollars, whether or not that thousand dollars would be counted as a part of his income for this year, regardless of what he paid for the horse 10 years ago. Is that correct?

Mr. WILLIAMS. No; I did not say that. It would be a part of his gross receipts for the year, of course, but it may not necessarily be a part of his net receipts, and therefore not a part of his income that is taxable.

Mr. CUMMINS. But I asked the Senator from Mississippi specifically whether, in the case I put, the price that was originally paid for the horse could be deducted from the price received.

Mr. WILLIAMS. The price paid 10 years ago? No; of course not. How could it? When a man puts in his return for his income of the previous year in order to be taxed he puts down everything he has received and everything he has paid out, subject to the exemptions and limitations otherwise provided in the bill. Necessarily that is so. To answer the Senator, I want to read the precise language of the provision.

Mr. ROOT. May I make a suggestion to the Senator from Mississippi? That necessarily implies something which is quite impossible, and that is that the Senator from Iowa would sell a worthless horse. [Laughter.]

Mr. CUMMINS. In these days of automobiles most horses are of little value.

Mr. WILLIAMS. Here is the language, and I think if it read this way and the words "and income" are left out it never would have struck the gentlemen as unobjectionable in any respect:

That, subject only to such exemptions and deductions as are hereinafter allowed, the net income of a taxable person shall include gains, profits, and income—

Now leave out the word "income," the repetition of which has confused—

derived from salaries, wages, or compensation—

Gains and profits now—

derived from salaries, wages, or compensation—

For what?

for personal service of whatever kind and in whatever form paid, or from—

What else?

professions, vocations, businesses, trade, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of or interest in real or personal property—

And, then, again—

also from interest, rent, dividends, securities.

There is not the slightest lack of clearness in it, to my mind, unless it grows out of putting a double definition upon the word "income," and I see no objection to striking out the word "income," if you want to strike it out.

Mr. GALLINGER. Mr. President, it is evident that this income-tax provision will not be settled to-day, and 6 o'clock has arrived. I suggest that we either have an executive session or adjourn.

Mr. WILLIAMS. I have no objection to that, if the Senator will wait until this paragraph is read and finished.

Mr. CUMMINS. I hope the paragraph will be passed over until I can have an opportunity to present an amendment to it, because, when it is taken in connection with the subsequent paragraph prescribing the deductions that may be made from the income, the point that I have endeavored to make clear will be manifest. I ask that the paragraph may go over until to-morrow.

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 45 minutes spent in executive session the doors were reopened and (at 6 o'clock and 45 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, August 27, 1913, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 26, 1913.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. George B. Landenberger to be a lieutenant commander in the Navy from the 1st day of July, 1913.

Lieut. (Junior Grade) Herndon B. Kelly to be a lieutenant in the Navy from the 1st day of July, 1913.

The following-named citizens to be second lieutenants in the Marine Corps from the 20th day of August, 1913, to fill vacancies:

Henry L. Larsen, a citizen of Colorado.
John C. Foster, United States Navy.
William H. Rupertus, a citizen of the District of Columbia.
James L. Underhill, a citizen of California.
Louis E. Fagan, jr., a citizen of Pennsylvania.
Keller E. Rockey, a citizen of Pennsylvania.
Bryan C. Murchison, a citizen of South Carolina.
Egbert T. Lloyd, a citizen of the District of Columbia.
Allen H. Turnage, a citizen of North Carolina.
George W. Hamilton, a citizen of New York.
Louis M. Bourne, jr., a citizen of North Carolina.
George L. Davis, a citizen of New Jersey.
David H. Miller, a citizen of New Jersey.
Matthew H. Kingman, a citizen of Iowa.

POSTMASTERS.

TEXAS.

Lon Davis to be postmaster at Sealy, Tex., in place of W. F. Viereck. Incumbent's commission expired April 15, 1913.

W. T. Hall to be postmaster at La Porte, Tex., in place of Manly B. McNitt. Incumbent's commission expired July 30, 1913.

VIRGINIA.

Byrd Anderson to be postmaster at Blacksburg, Va., in place of Lulu O. Hoge. Incumbent's commission expired December 13, 1909.

WEST VIRGINIA.

J. L. Butcher to be postmaster at Holden, W. Va., in place of William J. Crutcher. Incumbent's commission expired June 9, 1913.

CONFIRMATION.

Executive nomination confirmed by the Senate August 26, 1913.

POSTMASTER.

KANSAS.

Sophia M. Dickerson, Gypsum.

HOUSE OF REPRESENTATIVES.

TUESDAY, *August 26, 1913.*

The House met at 12 o'clock noon.

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

We bless Thee, infinite Spirit, our heavenly Father, that Thou art ever working in and through Thy children with persistent energy and power, moving them upward and onward to larger life and nobler achievements in both the material and spiritual fields of endeavor; and we most fervently pray that, though we are dull of apprehension and prone to wander from the paths of rectitude and duty, Thou wilt continue Thy work, chiding us when we go wrong, encouraging us when we go right, that we may be faithful and profitable servants both to will and to do of Thy good pleasure; that Thy plans and purposes may be fulfilled in us, to the honor and glory of Thy holy name. In the spirit of Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, August 22, 1913, 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 bill of of the following title, in which the concurrence of the House of Representatives was requested:

S. 2065. An act to provide for participation by the Government of the United States in the National Conservation Exposition, to be held at Knoxville, Tenn., in the fall of 1913.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 2065. An act to provide for participation by the Government of the United States in the National Conservation Exposition, to be held at Knoxville, Tenn., in the fall of 1913; to the Committee on Appropriations.

LEAVE OF ABSENCE.

Mr. MARTIN, by unanimous consent, was granted leave of absence, indefinitely, on account of illness.

JOINT SESSION OF THE HOUSE AND SENATE TO-MORROW.

Mr. UNDERWOOD. Mr. Speaker, I move the adoption of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] sends a resolution to the Clerk's desk. The Clerk will report it.