INDIANA.

John M. Nelson, Crothersville.

MASSACHUSETTS.

Thomas E. Luddy, East Bridgewater.

MISSOURI.

Ross Alexander, Mercer.
L. R. Dougherty, Pacific.

MONTANA.

L. H. Adams, Somers.
W. H. B. Carter, Polson.

NEW JERSEY.

George Deiss, jr., Bradley Beach.
Adolphus Landmann, Oradell.
Henry Otto, Egg Harbor City.

OHIO.

Wiley K. Miller, Shreve.
David M. Welty, Bremen.

OREGON.

Esther Evers, Huntington.

SOUTH DAKOTA.

Hugh J. McMahon, Philip.

TEXAS.

T. J. Lilley, Whiteright.
J. W. Whatley, Miami.

SENATE.

TUESDAY, *September 2, 1913.*

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

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

The Journal of yesterday's proceedings was read and approved.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Dillingham	Martine, N. J.	Simmons
Bacon	Fletcher	Myers	Smith, Ga.
Bankhead	Gallinger	Nelson	Smith, S. C.
Borah	Hollis	Norris	Smoot
Bradley	Hughes	O'Gorman	Sterling
Brady	James	Overman	Stone
Brandegee	Johnson	Owen	Sutherland
Bristow	Jones	Page	Thomas
Bryan	Kenyon	Penrose	Thompson
Catron	Kern	Perkins	Thornton
Chamberlain	La Follette	Pomerene	Vardaman
Chilton	Lane	Robinson	Walsh
Clapp	Lewis	Root	Warren
Clarke, Ark.	Lodge	Saulsbury	Weeks
Colt	McCumber	Shafroth	Williams
Crawford	McLean	Sheppard	Works
Cummins	Martin, Va.	Sherman	

Mr. THORNTON. I wish to announce that my colleague [Mr. RANSDELL] is at this time absent from the Chamber on public business.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent from the Chamber and will be absent for the remainder of the day. He has a general pair with the Senator from Florida [Mr. BRYAN].

Mr. SHEPPARD. My colleague [Mr. CULBERSON] is necessarily absent. He is paired with the Senator from Delaware [Mr. DU PONT]. This announcement may stand for the day.

Mr. SMOOT. I desire to announce that the senior Senator from Delaware [Mr. DU PONT] is detained from the Senate on account of illness.

Mr. GALLINGER. I wish to announce that the junior Senator from Maine [Mr. BURLEIGH] is detained from his duties here on account of a protracted illness. Information received from him yesterday indicates that he will not be here at any time during the present session. I make this announcement now so that it may not be necessary to repeat it on subsequent roll calls.

The VICE PRESIDENT. Sixty-seven Senators have answered to the roll call. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled joint resolution (S. J. Res. 52) to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of the Chamber of Commerce of Oroville, Cal., praying for the enactment of legislation providing for the enlargement of the naval forces of the country, which was referred to the Committee on Naval Affairs.

He also presented a petition of the Chamber of Commerce of Oroville, Cal., praying for the establishment of a naval reserve, which was referred to the Committee on Naval Affairs.

Mr. POINDEXTER presented a resolution adopted at the annual meeting of the Congregational Association of Eastern Washington and Northern Idaho, held at Medical Lake, Wash., extending thanks to Congress for the enactment of the Kenyon-Webb interstate liquor law, which was referred to the Committee on the District of Columbia.

He also presented resolutions adopted at the annual meeting of the Congregational Association of Eastern Washington and Northern Idaho, held at Medical Lake, Wash., favoring the ratification of international arbitration treaties, which were referred to the Committee on Foreign Relations.

DR. JOHN T. NAGLE.

Mr. O'GORMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 2907) to authorize the President to award a medal of honor to Dr. John T. Nagle for conspicuous bravery at the battle of Kernstown, Va., on July 24, 1864, while serving as an acting assistant surgeon of the United States Army, asked to be discharged from its further consideration, and that it be referred to the Committee on Military Affairs, which was agreed to.

BILLS INTRODUCED.

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

By Mr. CRAWFORD:

A bill (S. 3069) granting a pension to Catherine E. Brown; to the Committee on Pensions.

By Mr. SHERMAN:

A bill (S. 3070) granting an increase of pension to Andrew T. Machesney; and

A bill (S. 3071) granting an increase of pension to Celina Little; to the Committee on Pensions.

THE CURRENCY.

Mr. THOMAS. I submit an amendment intended to be proposed to the bill (H. R. 6454) to provide for the establishment of Federal reserve banks, for furnishing an elastic currency, affording means of rediscounting commercial paper, and to establish a more effective supervision over banking in the United States, and for other purposes, which I ask may be printed and referred to the Committee on Banking and Currency.

The VICE PRESIDENT. The amendment will be printed and referred to the Committee on Banking and Currency.

Mr. THOMAS. In this connection I ask unanimous consent to publish in the RECORD a short article explanatory of the amendment from its author, and which I think is not only of importance but of great interest and value, due to the fact that we shall take up for determination the currency measure. I ask that the article be referred to the Committee on Banking and Currency to accompany the amendment just submitted.

There being no objection, the article was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

PREFACE.

In order that the people's interest might be properly conserved, the administration at Washington expressed a desire to receive suggestions from persons not pecuniarily interested in matters which are the subject of legislation.

In response to this general invitation, I published in May of this year a pamphlet entitled "Outline of a Plan for Funding the National Debt and for Maintaining an Elastic Reserve Currency." The "plan" attracted some attention because of its novel treatment of the subject and for the advantages insured by its adoption, among which are the following:

The saving of millions of dollars annually in interest.
The means of determining at regular intervals a proper interest rate on bonds.
An equivalent to the Government of the profit on the circulation privilege in the form of a low interest rate on its bonds.
Taking the Government out of the banking business.
Independence of syndicates in the flotation of its bonds.
An "automatic" sinking fund.
The maintenance of the gold standard.
The simplicity of the system.
The freedom of competition in regard to Government bond issues.
The ultimate increase, within certain limits, of available money.
Its adaptability to expansion in the event of war.
The means of accelerating or retarding the process of funding to the best advantage.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

And, above all, the introduction of a short-term gold bond, bearing a low competitive rate of interest, which is made *available for money reserves for banks* because *exchangeable* in an emergency for *correlated legal-tender "bond certificates"* at any subtreasury on demand.

I have recently been requested by a distinguished United States Senator to draw up, in harmony with the proposed plan, an amendment to section 20 of the Federal reserve act, commonly known as the Glass-Owen currency bill, which section provides for the gradual retirement during 20 years of the 2 per cent bonds now used as a basis for national-bank-note circulation and the issue in place thereof of 3 per cent bonds having no circulation privilege.

In the drawing up of this amendment I am greatly indebted to Hon. Hugh H. Hanna, of Indianapolis, Ind., who served as chairman of the monetary conference of 1900. The amendment as drawn, though requiring expression in legal parlance, is the result of many interviews and much thoughtful consideration on the part of the gentleman named and myself, and in the substance thereof we are in perfect accord.

While written as an amendment, I would respectfully suggest that it be considered as outlining a separate bill, because it is complete in itself as such. It would eliminate from the pending currency bill all discussion regarding our present issues of bonds and currency other than gold and silver certificates, which are not affected, and, finally, because it would give more time for the consideration of a currency bill free from any "entangling alliance," thus rendering it clearer and more readily understood. These are practical considerations for the reason that the plan as formulated in a bill would soon provide a reasonable increase to our present available circulation.

It is therefore presented under two titles—one as an amendment to the currency bill and the other as a bill complete in itself. In the argument I refer to it as a "bill."

WILLIAM A. AMBERG.

CHICAGO, *August 9, 1913.*

INTERCHANGEABLE BONDS AND BOND CERTIFICATES.

THE NEW BONDS.

Authorize the funding of the public debt and the issue of short term, *e. g.*, 10-year renewable term bonds, in an amount to *fully* cover the principal of the entire debt[1] and the premium on outstanding bonds.

There should be, say, 20 issues of equal amount maturing six months apart.

Let us assume that the total amount *authorized* is $1,500,000,000; this would make each issue $75,000,000.

The interest rate on the bonds, which may vary with each issue, will be discussed later; for the present, let it suffice to state that the interest rate is to be determined for each issue when made.

With the complete funding of the debt there will mature $75,000,000 of bonds every six months, and the interest rate should be fixed on each renewal issue.

TIME REQUIRED FOR FUNDING AND ULTIMATE ROTATION OF MATURITIES.

It will not necessarily take 10 years to refund the debt. Funding can proceed as rapidly as desired or as may be found economical. The first issue would necessarily be for 10 years, other issues after the lapse of every 6 months would also be for 10 years, but accelerating issues can be made for shorter periods, each timed to mature 6 months earlier than the earliest maturity of bonds previously issued, as 9½ years, 9 years, 8½ years, etc., from the *date* of the *first* issue.

The renewal of the serial issues begins with the earliest maturity, and renewals will come regularly every 6 months thereafter, provided all the 20 serial issues are out. If the debt be not entirely funded by the time the earliest maturity arrives there will be other "open" maturity dates besides the two provided for emergencies. If the time required for funding could be predetermined the earliest maturity date could be fixed for the first serial issue, all subsequent issues expiring six months later than the preceding one. The object of all this will appear later when we come to apply an interest rate.

INTEREST TABLE ON BONDS.

On the back of each bond should be printed a table showing the accrued interest (according to the interest rate it bears) for each given day in the year between coupon maturity dates.

We then have a bond representing a specific amount and showing the amount of accrued interest on any given day.

THE BOND CERTIFICATES.

The "bond certificates," as stated in the bill, are practically the same as our present United States notes and need only an added clause to the effect that they are exchangeable for the new interest-bearing bonds *at par* upon payment of the accrued interest on the day the exchange is made. These certificates *alone* are exchangeable for the bonds. This is an absolute requirement and suggests the desirability of exchanging all the various kinds of certificates now issued, *in kind* only, as gold for gold certificates and silver for silver certificates only.

At first glance, it would seem that we double the debt because the certificates are prepared to an equal amount with the bonds. This, however, is not the case any more than that our gold certificates double the amount of money, which, of course, they do not.

THE CUSTODIAN.

Each issue of bonds, when ready, is to be delivered to an official of the Treasury Department whom I will designate the "custodian," whose duties are practically the same as those of the officer who now exchanges gold for gold certificates and *vice versa*, the only difference being that he is provided with an interest fund.

He gives out the bonds for *bond certificates only*, collecting the accrued interest shown on the back of the bonds, and when the operation is reversed and bonds are *presented* for certificates, he *pays* the accrued interest.

He is not to part with bonds *for any other form of money, not even for gold*. There will always be the same amount of certificates in his possession as there are bonds outstanding.

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[1] The interest-bearing debt, Mar. 1, 1913, exclusive of postal savings bonds, is $963,317,490
Debt on which interest has ceased at maturity 1,677,650
Debt bearing no interest 376,460,242

Total debt to which the plan is applicable 1,341,455,382
Postal savings 2½ per cent bonds 2,389,120

Aggregate of interest and noninterest bearing debt 1,343,844,502

BOND CERTIFICATES A LEGAL TENDER.

I assume that the legal-tender character now attaching to greenbacks will apply to bond certificates which replace them.

As a currency it is bettered because secured by interest-bearing United States bonds.

They are never to be paid out by the Treasury before the new bonds are in the hands of the custodian, nor in excess of the amount of bonds so placed.

No additional certificates are required for renewals of bond issues; they are paid out only for the principal of the debt and premium on certain bonds now outstanding, and for other items recognized as a part of the national debt, which includes greenbacks.

THE NEW BONDS AS BANK RESERVES.

The bonds being instantly convertible into legal-tender bond certificates are especially adapted for bank reserves, not only for national banks but *all other* banks, trust companies, and all classes of investors who have idle money awaiting investment. The sum of all these combined is so large that the demand for bonds can be met only in part, which will enable the Treasury to secure a very low interest rate on bonds, virtually a Government "call-loan" rate. Banks could keep a large part of their money reserve in these bonds, because they could be converted any day into bond certificates at any subtreasury, and conservative bankers could therefore increase their present reserves without loss.

There is no way of determining what the money reserve of all the banks and trust companies aggregates. It can only be conjectured.

For this purpose let us consider our

STOCK OF MONEY.

The Treasury's estimate of the stock of money in the United States on March 1, 1913, excluding $174,897,996 subsidiary silver, was $3,533,297,528; deducting cash in the Treasury held as assets, $342,286,969, leaves $3,191,010,559 as the amount of money in circulation. Assuming that $2,500,000,000 of this is reserve money, the total issue of the new bonds—which would be less than 60 per cent of this sum—could be held *by banks alone* as a part of their reserves, because instantly convertible into currency.

THE RATE OF INTEREST ON BONDS.

The recent circular of a firm making a specialty of Government bonds gives a table showing high and low prices during certain years of bonds available as security for national-bank notes. This shows a mean average interest *yield* on 2 per cent bonds ranging from 1.68 in 1901 to 1.96 per cent in 1912.

This low rate arises from the competition of national banks alone. How much lower the interest rate might be if they were sought in universal competition, coupled with facilities for instant conversion into currency, may be imagined.

INCOME YIELD TO BANKS.

Regarding the rate of interest which the Government may secure on the new bonds, it is my firm belief that as low as 1.2 or 1.4 per cent may suffice under this plan. These conclusions rest on the fact that as national banks investing *capital* in the present bonds to secure circulation—which capital might be fully loaned at 5 per cent—have a net income derived from circulation—over and above 5 per cent—after paying taxes on circulation, etc., of only 1.25 to 1.4 per cent, whereas, under this plan they could invest a part of the idle money they are required to keep on hand as a reserve in convertible interest-earning bonds.

When the funding is practically completed and we reach the renewal stage, our experience will have been such that there will be but slight changes in the interest rate. Just now we can not estimate positively how low an interest rate will still command a slight premium for the bonds.

DETERMINING THE INTEREST RATE.

To be absolutely on the safe side, let us assume that the first issue of $75,000,000 10-year bonds bear interest at the rate of 2 per cent. If that proves too high, considering their desirability, it will manifest itself by the bonds commanding a premium in the *open market*, which will be a gold market when our present United States notes are exchanged, and will remain so unless subsequent legislation should change the character of our currency, which is not likely.

With open market quotations at hand it is easy to determine what lower rate of interest will suffice to keep them at a little above parity with gold.

FIXED SCALE OF INTEREST RATES.

I suggest that interest rates be always fixed at a multiple of 1.5 (0.2) of 1 per cent, as 1.6, 1.8, 2, 2.2, 2.4, etc., per cent, because even if bonds should be issued in denominations as small as $50 there will be no fractional cents in the semiannual coupons; the coupons then will be multiples of 5 cents on a $50 bond, 10 cents on a $100 bond, 50 cents on a $500 bond, and $1 on all the larger denominations.

NO PREMIUM OR DISCOUNT ON BONDS RECOGNIZED BY THE GOVERNMENT IN MAKING EXCHANGES.

So far as the Treasury is concerned, *it recognizes no premium or discount* in making exchanges of bonds and certificates, regardless of whatever the "open market" may be; but in order that parity with gold may be maintained and also that the certificates may be a real reserve currency ordinarily withheld from circulation, the interest rate on each series of bonds when issued or renewed should be such as to command a very slight premium for the bonds.

Bond certificates immediately exchangeable for bonds bearing even a very low interest rate will be withheld from general circulation by banks, and gold and silver and their certificates will be paid out instead.

NO DISCOUNT.

The above ideas being followed, it is evident that these bonds will never be at a discount. Temporary "aberrations" in the money market will correct themselves, and the system will have a steadying influence on the "value of gold," just as an "idler pulley" has a steadying effect on a leather belt transmitting power.

DENOMINATION OF THE BONDS.

The question as to what the denominations of the bonds should be can be determined by experience gained from the first issue. However, to insure perfect equality and no special privilege to any class, it seems desirable that some bonds as small as $50 should be issued.

DUTIES OF THE CUSTODIAN.

The custodian's duties are substantially these:

He must give out bonds for bond certificates only and bond certificates for bonds only. The interest either way is to be paid in gold or

its equivalent; hence if he be given a certain amount of the new bonds he will, whatever the exchanges may be, have always the same total amount in bonds and bond certificates.

EXTENSION OF FACILITIES FOR EXCHANGE.

Custodianships may be established in other than subtreasury cities to give the benefit of quick exchange to smaller geographical divisions.

SAVING IN INTEREST.

An economical feature of the plan is that it saves interest on the bonds while the certificates are outstanding and even while the Treasury has possession of them.

If the Treasury receives bond certificates as currency in the regular course of business, it will naturally retain them as banks would and thus save interest.

"AUTOMATIC" SINKING FUND.

A permanent holding of bond certificates by the Government is, automatically, the equivalent of a sinking fund to the extent to which they are so held. They are simply an "offset" to the bonds which are held by the custodian.

PREMIUM ON BONDS.

As the Government maintains parity with gold on the new bonds by fixing the interest rate on one serial issue every six months, it does not concern itself with premium on bonds, as *it never sells them*, unless necessary to replenish the gold-reserve fund, as stated in the bill, an unlikely occurrence. It holds them merely for the purpose of exchange for the *only* thing which will command them, viz, bond certificates.

The reason for exchanging bonds for *bond certificates only* is to prevent contraction of the currency and to make the certificates *more valuable than any other circulating medium.*

WHEN THE INTEREST RATE SHOULD BE FIXED.

It is possible to delay the determination of the interest rate on each of the serial issues to within 30 days of their several dates. While the bonds are printed by hand from steel plates (a slow process) the date, interest rate, and interest table can be quickly printed from type on ordinary printing presses.

I would suggest a smaller bond with larger coupons than usual; 8½ by 14 inches should be the limit.

DURABILITY OF BOND CERTIFICATES.

While the bonds would have to be printed for each *particular* issue the certificates, which may be of any denomination desired, are *general*, and command any bond issue, or any particular issue designated by the Secretary of the Treasury if deemed advisable. They will last indefinitely, not being subject to the wear and tear of ordinary currency.

A FINANCIAL BAROMETER.

The daily summarized reports of "Custodians" showing the relative amounts of bonds and bond certificates on hand would be a better barometer of local and general currency conditions than are now the clearing-house reports of business conditions.

DENOMINATION OF BOND CERTIFICATES.

Bond certificates can be issued of any denomination. Even one, two, and five dollar bills may be provided. Their issue and use would be more general than those of the larger denominations, because they are more needed in panicky times, and also because a creditor for large amounts would prefer to take bonds, plus interest, to certificates.

CUSTOM DUES.

The clause relating to customs dues in the proposed bill is the same as that which now appears on the backs of United States notes. It will never be necessary to make it operative except in the event of a *prolonged and costly war.*

RESERVE FUNDS.

Gold certificates have a 100 per cent gold reserve.

Bond certificates will have a 100 per cent serial gold bond reserve, which bonds have a seventy-five million gold reserve to meet an entire serial issue as it falls due, with ample provision for replenishing said gold reserve if drawn upon to meet the next serial issue at its maturity six months later.

Silver certificates have a 100 per cent reserve in silver dollars. By congressional act the Government must maintain parity. The bill directs the Secretary of the Treasury to issue one, two, and five dollar silver certificates in lieu of those of the denominations of $10 or more, which amount to about twenty-two millions. When the funding is completed over $320,000,000 of gold certificates of the denomination of $5 must be provided to meet the requirements of trade for this denomination.

Bond certificates will not ordinarily serve the purpose, as they will be withdrawn from circulation to command bonds and create a scarcity of small bills which are absolutely required. My conclusion is that as these smaller silver certificates are needed they will never be presented for redemption in gold to any extent, so that a gold reserve of twenty-five millions is ample, making one hundred millions in all, thus releasing fifty millions of the present reserve.

THE ECONOMIC VALUE OF A RESERVE.

I realize fully that some will question the necessity of maintaining any gold reserve. I look upon it as a possible necessity. It gives assurance to the world of the character of our money. From the standpoint of economy alone it is a good investment. The loss of interest on $100,000,000 will be more than offset by the lower interest rate our bonds will command because of the maintenance of the fund. A borrower at a bank soon realizes the fact that the average balance he maintains with it has a very decided influence on the interest rate demanded.

LIMIT OF BOND CERTIFICATES.

The plan as outlined limits the bond certificates to the amount of the national debt, in round numbers about $1,350,000,000, while the full cycle of 20 seventy-five-million-dollar issues of bonds, maturing six months apart, would amount to fifteen hundred millions. This leaves two issues, and consequently two maturity dates, free for emergencies, which I deem a very necessary precaution, not only for preliminary war preparations, but also many other purposes. It may be necessary to provide for Panama bonds not yet issued to reimburse the general fund. It might be profitable to have an open maturity date for a shorter time bond when the interest rate manifests an upward tendency.

INCREASE OF AVAILABLE PAPER CURRENCY.

When the process of funding is completed, there will be an increase of available currency from the following sources:

From bonds not now available as a basis for circulation	$213,000,000
Premium on 4 per cent bonds at about 10 per cent, say	12,000,000
National-bank redemption fund, treated as a liability by the Treasury, say	25,000,000
Total	250,000,000

ANOTHER FORM OF PRESENTING THE INCREASE.

The national debt as of March 1, 1913, was as follows:

Interest-bearing debt	$965,706,610
Debt bearing no interest	1,677,650
United States notes of all kinds	376,460,242
Total	1,343,844,502

As a considerable amount of the national debt included in above will never be presented, having been lost or destroyed (e. g., fractional currency $6,854,865), the final limit of bond certificate issues, after adding premium on bonds now outstanding, can not exceed the sum of $1,350,000,000.

The currency in circulation which would be retired was, on March 1, 1913, as follows:

Treasury notes of 1890	$2,742,000
United States notes	346,681,016
National-bank notes	751,117,794
Total	1,100,540,810

So that the available increase in the circulating medium will be about $250,000,000 independent of the release of fifty millions of the gold reserve, and if the Government deposits its money in the national banks on security *other than these convertible bonds*, another one hundred millions can be fairly relied upon, thus making a total of $400,000,000.

THE STEADYING EFFECT OF AN ADJUSTABLE INCREASE RATE.

When the premium on bonds goes up in the open market the interest rate will go down, and when the bonds command no premium the interest rate will go up. This idea, which is economically sound, is applied every six months to $75,000,000 of bonds. It will have a steadying effect on the value of bonds as a whole, and the temporary "aberrations" of the money market will affect them but little. This is another argument for limiting the term of the bonds to 10 years.

BANK RESERVE REQUIREMENTS.

The money reserve requirements of all banks, trust, and other companies (though no data are available) I estimate at nearly double the amount of serial bonds. Would not a big bank having ten or twenty millions of gold certificates locked up in its vaults which must be kept there idle and *earn absolutely nothing*, gladly substitute all the bonds they could get that would earn even as low a rate as their investment of bonds for circulation has yielded them, say 1.2 or 1.4 per cent, especially when they could exchange them for legal-tender currency (on a gold basis) on an hour's notice?

Think of the enormous expense of all the engraved plates, the printing, the signing of bills, the red tape and the delay, to say nothing of the capital they have to put into bonds and the trouble of getting circulation money under the present system.

Under this system their *capital* is not touched. Their money reserve is a fixed per cent of their *depositors' money* which they are obliged by law to keep for their protection in times of emergency. What better emergency money can you provide than bond certificates?

Consider also the enormous expense the Government will save by dispensing with the present system and adopting one so absolutely simple.

WAR BONDS.

In case of war the serial issues could be increased, and so long as the bonds do not approach the full requirements for bank reserves the rate of interest will be low. It is well to recognize the fact that the nearer the amount of bonds approaches the total bank reserve requirements, the interest rates will rise, on account of decreasing competition for them in the open market.

ADDITIONAL CURRENCY REQUIREMENTS.

I disclaim any purpose to limit the paper money of the country to gold, silver, and bond certificates. These appeal to me because they will all be operated on the same principle—that of immediate interchange; the last to the mutual benefit of the banks and the people.

The bond-certificate idea is exceedingly simple once we divest ourselves of our "habit of thought" regarding paper money.

Fortunately we have had a long experience with national-bank issues and can estimate very closely what a currency-issuing privilege is worth to the people. We are perfectly willing to give them an equivalent *in different form*, because we impose on them the *arbitrary requirement* of a money reserve for our deposits. In doing this, as herein outlined, the people will get a low interest rate on the debt and the banks and others who want a like interest on money necessarily idle can invest it in convertible bonds.

NO SUDDEN INSPIRATION.

This plan is no sudden inspiration. Its development has been the result of study and observation off and on ever since 1893, when it was impossible to borrow money at a bank on Government bonds. The time for its presentation and advocacy seems propitious. No economic principle of finance is abrogated; the point of view only, to which we have so long been accustomed, is changed; the Government becomes the "syndicate," and the banks, as the custodians of the people's deposits, are the principal investors. It is the *depositors' money* they are privileged—not compelled—to invest in the people's bonds, not their own *capital* as now. Their interests are made mutual. This is "the new finance."

WILLIAM A. AMBERG.

CHICAGO, *August 9, 1913.*

WASHINGTON & GEORGETOWN GAS LIGHT COS.

Mr. JONES submitted the following resolution (S. Res. 178), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Commissioners of the District of Columbia be, and they are hereby, directed to report to the Senate as soon as practicable what steps, if any, have been taken by them to enforce section 11 of the act of Congress entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913, so far as the same may affect the Washington Gas Light Co. and the Georgetown Gas Light Co., both of the District of Columbia.

BETTERMENT OF RURAL CONDITIONS (S. DOC. NO. 177).

Mr. SHAFROTH. Mr. President, at the conference of governors held last week at Colorado Springs, Colo., there was an address delivered by Hon. DUNCAN U. FLETCHER, a Member of

this body, relative to the work of the American commission respecting agricultural finance, organization, cooperation, and betterment of rural conditions. I have read the address, and it is a most admirable one. It deals with subjects which are going to be of great interest to the American people in the coming Congress. I ask unanimous consent that it be printed as a public document.

Mr. SMOOT. Did I understand the Senator to say that it is a speech delivered by the Senator from Florida in this Chamber?

Mr. SHAFROTH. No; it is not. He delivered a speech somewhat upon this subject, but he did not deal with the work of the commission upon which——

Mr. SMOOT. The speech was delivered outside of the Senate?

Mr. SHAFROTH. It was delivered at the conference of governors which met at Colorado Springs last week. The papers made considerable comment upon it, all of it favorable.

Mr. SMOOT. I have not any objection.

Mr. SHAFROTH. I ask unanimous consent that the address may be printed as a document.

The VICE PRESIDENT. If there be no objection, it will be printed as a public document. The Chair hears none.

The morning business is closed.

THE TARIFF.

Mr. STONE. I ask unanimous consent that House bill 3321 be now laid before the Senate and proceeded with.

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. GALLINGER. Mr. President, during the somewhat protracted debate on the measure now under consideration I have frequently asserted that, in my judgment, the enactment of this bill will work irreparable injury to the industrial North, as well as to some other sections of the country, and I see no reason to change that opinion. The senior Senator from Kentucky [Mr. BRADLEY], in his very able speech of a few days ago, proposed an amendment to the title of the bill, which corresponds closely to a draft I had already prepared. My suggestion is that instead of the title being, as it now stands, "A bill to reduce tariff duties and to provide revenue for the Government," it should read "A bill to reduce tariff duties, to destroy American industries, and to provide employment for the laboring men and women of foreign countries." That, in my opinion, correctly describes what the proposed law will inevitably bring about, notwithstanding the proponents of the bill hold to the contrary.

AN EXTREME BILL.

This bill, upon which we shall soon vote, represents in an extreme form the economic principle which found its chief strength in this country in the agricultural, slave-holding South before the Civil War. Historically the main support of the tariff-for-revenue-only policy in America, from the first important development of that policy in the South Carolina struggle over nullification in 1832-33, has been in the southern cotton-growing States, and also in New York City and its neighborhood, where the influence of importers representing European manufacturers is powerful.

At no time in this generation has any great producing State of the industrial North stood long for the tariff-for-revenue-only system. New England, New York, New Jersey, Pennsylvania, Ohio, and the manufacturing States of the Middle West have since 1870, as a rule, upheld the protective policy, and if in some gust of passion they have rejected it, they have quickly and signally repented of their mistake.

It is no disparagement of the intelligence or patriotism of the South to hold that the great industrial North, where manufacturing and agriculture have long gone hand in hand, is in a better position to understand and determine what is the wisest economic policy for our Government than the Southern States, where agriculture, until a relatively few years ago, was the dominant and indeed almost the exclusive and only industry, and where manufacturing, though now of swift and splendid growth, is still, as it were, on the threshold of its development.

A VERY RADICAL PROPOSAL.

The distinguished chairman of the Committee on Ways and Means of the House of Representatives, at the last session of the Sixty-second Congress, in a report upon one of the schedules which in a still further reduced form is a part of the proposed majority tariff bill, described it—and the description holds true of the whole measure—"as providing a much lower margin, and hence a much more competitive rate, than has been passed by the House of Representatives or enacted in any other Democratic tariff measure since the tariff acts of 1846 and 1857." To the older industrial regions of our country this statement of Chairman UNDERWOOD brings not gratification but alarm, for that era between 1846 and 1861 covered the longest definite abandonment of the protective principle of tariff making in the whole history of the country, and marked in its culmination a period of grave industrial distress, due directly to a departure from the wise teachings of the fathers of our country.

It is a profoundly significant fact that the founders of this Nation, as well the leaders of what is now the Democratic as of the then Federal Party, were convinced and frank protectionists. This is true not only of Washington and Hamilton, but of Jefferson and Madison. The views of Hamilton, as set forth in his famous report on manufactures, are so well known that they need not be repeated here. Washington, in his last annual message to Congress, said:

> Congress has repeatedly, and not without success, directed its attention to the encouragement of manufactures. The object is of too much consequence not to insure a continuation of the efforts in every way which shall appear eligible.

Jefferson as President approved three successive tariff acts increasing protection to manufactures. In his message to Congress on December 15, 1802, he said:

> To cultivate peace, maintain commerce and navigation, and protect manufactures adapted to our circumstances, etc., are the landmarks by which to guide ourselves in all our relations.

In 1809 Jefferson wrote to a friend:

> I have lately inculcated the encouragement of manufactures to the extent of our own consumption, at least, in all the articles of which we raise the raw material.

Indeed, Jefferson, who is frequently spoken of in these days as the patron saint of the Democratic Party, carried his devotion to American industry so far as to express a wish that the Atlantic Ocean might be a lake of fire to exclude absolutely foreign goods. So positive were Jefferson's views upon the subject that Gen. Francis A. Walker, in "The Making of the Nation" series, declares that—

> The fact is Mr. Jefferson was the most extravagant protectionist ever placed in a position importantly to influence trade and industry of a civilized nation.

THE FATHERS ALL PROTECTIONISTS.

Washington, Jefferson, and Madison all concurred and aided in the enactment of the first tariff law of the American Republic, the celebrated law approved July 4, 1789, the preamble to which declares that "Whereas it is necessary for the support of the Government, for the discharge of the debts of the United States, and *for the encouragement and protection of manufactures*, that duties be laid," and so forth. That law of 1789 protected not only American manufactures but American ocean shipping. There was at that time no free-trade party in the United States, no party advocating a tariff for revenue only, no dogma such as is to be found in the Democratic national platform now that a tariff for revenue and protection is "unconstitutional." The men who made the Constitution knew best what the Constitution meant, and Washington knew what it meant when he signed the tariff act of 1789.

JACKSON A PROTECTIONIST.

Andrew Jackson knew the views and teachings of the men who laid broad and deep the foundations of our Government. Like his great predecessors, Jackson was an outspoken protectionist. He declared in his message of May 27, 1830:

> The power to impose duties upon imports originally belonged to the several States. The right to adjust these duties with a view to the encouragement of domestic branches of industry is so completely identical with that power that it is difficult to suppose the existence of the one without the other. * * * In this conclusion I am confirmed as well by the opinions of Presidents Washington, Jefferson, Madison, and Monroe, who have each repeatedly recommended the exercise of the right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people.

It was that same great Democrat who, as President, threatened to hang as high as Haman the men who in South Carolina sought to nullify a United States tariff law on the newly asserted idea, exploited for the first time in our national history, that protection to American industry was "unconstitutional." This was not originally the view of even John C. Calhoun himself, for Calhoun in his earlier career, like most of the other public men of his State, was a declared protectionist. It was not until the deplorable struggle over human slavery began to check the national spirit and arouse misunderstanding and enmity between the States that the dogma was held and avowed by any appreciable number of American citizens that the encouragement to manufactures, one of the specific purposes of our very first tariff law, was in violation of the fundamental law of the Republic.

It is interesting to note in this connection that Henry Clay, the great Whig leader, in a speech on American Industry, deliv-

ered in the House of Representatives March 30 and 31, 1824, said:

And what is this tariff? It seems to have been regarded as a sort of monster, huge and deformed; a wild beast endowed with tremendous powers of destruction about to be let loose among our people, if not to devour them, at least to consume their substance. But let us calm our passions and deliberately survey this alarming, this terrific thing.

How natural that sounds, notwithstanding the utterance was made 89 years ago. The similarity of the language used by the opponents of the 1824 bill, as quoted by Mr. Clay, and the utterances of Democratic Senators in this debate is significant and illuminating. Mr. Clay continued:

The sole object of the tariff is to tax the produce of foreign industry, with the view of promoting American industry. The tax is exclusively leveled at foreign industry. That is the avowed and the direct purpose of the tariff. If it subjects any part of American industry to burdens, that is an effect not intended, but is altogether incidental and perfectly voluntary.

That is good Republican doctrine from one of the ablest statesmen of his time.

SECTIONAL AGITATION.

Students of history well know that the persistent and costly agitation against the protective system, and in favor of a tariff for revenue only, is one of the heritages which the political contest over slavery has left to us. When raw cotton, raised by slave labor, first became the great southern staple, its principal market was in Great Britain, whose manufacturers believed in the first years of the last century that they had an inalienable right to the monopoly of the American market for manufactured articles—a right as inalienable, in their opinion, as the divine right of kings. It so happened that the great manufacturing States of the North—New England, New York, New Jersey, and Pennsylvania—were the principal seats of the antislavery agitation.

In the bitterness of sectional strife in Congress, southern sentiment turned more and more against the protective tariff legislation, which was steadily developing the resources of the manufacturing States through their abundance of free labor, the slave labor of the South being totally unfitted for employment in manufacturing. This sinister sectional division over the tariff question found its expression particularly through the Hon. George McDuffie, of South Carolina, who said:

I will now tell the gentleman from Massachusetts, if he will pardon the liberty, what is the natural price of the manufacturing labor of the Northern States estimated in money. It is precisely the same as the manufacturing labor of England and not a cent more. (Congressional Debates, vol. 8, p. 3827.)

Mr. Lewis, of Alabama, said on the same subject:

But for the operation of the tariff laws in enhancing the price of northern labor, the state of things would have been completely the reverse of what it now is, and a day's labor in the cotton field would have commanded two days of the northern manufacturing labor. (Congressional Debates, vol. 8, p. 3583.)

In other words, the animating motive of those who wished to abandon the protective-tariff policy of Washington, Jefferson, Madison, and Jackson and to force the country to a tariff-for-revenue-only basis was resentment of the fact that the protective tariff developed the North and greatly benefited its free labor. This historic truth is frankly stated by a southern scholar, E. N. Elliott, LL. D., in the publication entitled "Cotton is King," published in Atlanta, Ga., in 1860. Dr. Elliott said:

If they—

The southern cotton planters and the Democratic Party—

could establish free trade, it would insure the American market to foreign manufacturers; secure the foreign market for their leading staple; repress home manufactures; force a large number of the northern men into agriculture; multiply the growth and diminish the price of provisions; feed and clothe their slaves at lower rates; produce their cotton for a third or fourth of former prices; rival all other countries in its cultivation; monopolize the trade in the article throughout the whole of Europe.

This is an easily understood program, the carrying out of which would forever have ended the manufacturing industries of the country. Think of it! Dr. Elliott declared that the policy he advocated would "insure the American market to foreign manufacturers." Unfortunately, the bill now under consideration strongly tends in that direction, and for that reason it ought to be unceremoniously rejected.

TARIFF-FOR-REVENUE-ONLY IN PRACTICE.

This unfortunate spirit of sectional jealousy actually triumphed in the tariff-for-revenue-only legislation of 1846, so earnestly advocated by Robert J. Walker, of Mississippi, Secretary of the Treasury, and so warmly praised by the Democratic Party. From this tariff of 1846 and its successor of 1857 all thought of protection was eliminated so far as possible. In some instances, for the more successful strangling of northern manufactures, the duty on the crude materials was set as high or actually higher than on the finished articles themselves, and the same absurd fixing of rates is found in many instances in this bill. Of course, heavily increased importations of manufactured goods from Europe were the immediate result; and yet, an extraordinary series of fortuitous events deferred for a considerable time the sure and inevitable consequences of this ill-starred legislation.

First came the war with Mexico, which led to the expenditure in two years of $150,000,000 among the people of the United States in various war disbursements. Then followed the famine in Ireland, with its extraordinary demand for our breadstuffs; the European revolutions of 1848 followed, which seriously disturbed continental industries; then in our own country the California gold discoveries came along; and subsequently, in Europe, the great Crimean War worked advantage to our country. Never was a time more propitious for the success of tariff-for-revenue-only legislation in America. But when conditions became normal this is what happened, as described by William McKinley in the publication entitled "The Tariff in the Days of Henry Clay and Since," pages 23–24:

Within a year after the close of the Crimean War the country was distressed and humiliated by the only financial panic it had experienced for 20 years since the adoption of a somewhat similar tariff policy to that it was then pursuing. The immediate effect was an increase in importations and a heavy drain upon the specie of the country, while there was a marked reduction in the exportation of our agricultural products. The panic soon swept over the entire Union, prostrating alike our agricultural, commercial, mining, and manufacturing interests.

PRESIDENT BUCHANAN'S LAMENT.

In his first annual message to Congress President Buchanan, on December 8, 1857, said:

In the midst of unsurpassed plenty in all the productions and 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.

That was the vivid picture drawn by a Democratic President of the final results of that earlier tariff-for-revenue-only experiment. President Buchanan, alarmed at the situation, appealed to Congress to adopt a new revenue measure "to increase the confidence of the manufacturing interests and give a new impulse to business," as the President tersely expressed it.

But President Buchanan's plea was in vain, for Congress was still controlled by men who had been taught that protection was against the interests of the South and slavery and beneficial to the free labor of the Northern States. They did not abandon their cherished policy, although it had plunged the country into ruin, and the immediate repeal of the low-tariff law was demanded by the Executive whom they themselves had elected to the Presidency.

In the 15 years from 1847 to 1861, inclusive—

Wrote William McKinley—

during which the economic theories of Mr. Walker prevailed, the total receipts from customs were $708,107,973, while the outlays of the Government were $807,133,078. Consequently the expenditures exceeded the receipts by $99,025,105. Thus, as strictly revenue measures, the laws of 1846 and 1857 were both unsatisfactory. (The Tariff in the Days of Henry Clay and Since, p. 26.)

The result of these nonprotective-tariff laws was all the more significant because they had been tried under most favorable conditions. President McKinley, in the historical work already quoted (pp. 27–28), said on this point:

Never was there a period in our history in which the free-trade policy had so excellent an opportunity to demonstrate its usefulness and adequacy to our industrial and governmental conditions. But, instead of insuring prosperity it produced universal distress and want; instead of raising money to support the Government, even during a period of peace and wonderful development, the system of duties it provided was utterly insufficient and produced results exactly the opposite of those claimed for it. As soon as the foreign wars ceased the revenue began to diminish and the expenditures to exceed it, thus creating deficiencies and forcing loans and increasing our national debt from $15,500,000 in 1846 to $90,580,000 on March 4, 1861.

THE RETURN TO PROTECTION.

This was the handiwork of men who, atfer most of those who had framed the Constitution were dead, had invented the idea that a tariff which combined revenue and protection was unconstitutional. Those men had broken faith with the fathers of the Nation and had tried to foist upon the country a dogma of State sovereignty and the doctrine of a tariff-for-revenue-only, which the earlier statesmen abhorred. A radical change and a return to the historic policy of tariff for both revenue and protection waited only for the breaking of the power of the southern Democracy in Congress. By 1860 the House of Representatives came into the control of men who were either Republicans outright or were in sympathy with the Republican faith upon the tariff.

On May 10, 1860, nearly a year before the Civil War began, the first Morrill protective tariff act increasing the duties and also increasing the revenue was passed by the House as an economic and financial measure, a frank repudiation of the

tariff-for-revenue-only policy. This was not in any proper sense a war measure. It can not be affirmed too strongly or too constantly that the abandonment of the southern Democratic policy as we now know it was due not to any anticipation of the Civil War or to any consequences of the Civil War, but to the bankruptcy to which free trade had brought the Nation, and the ruin and distress into which it had plunged our manufacturers and farmers in its culminating years from 1857 to 1860. Nothing is more manifest from all the records of history than that the country would have returned to the protective system of Washington, Hamilton, Madison, Monroe, and Jackson in 1860, even if there had been no Civil War.

The tariff-for-revenue-only scheme had utterly failed by 1860, and had confounded and discredited its authors quite as signally and even more quickly than that later experiment of the same kind in the years between 1894 and 1897.

It was absolutely inevitable that when the great industrial North, with its free labor, wrested from the South, with its slave labor, the control of the National Government the overwhelming protectionist sentiment of the North should write its convictions upon the national statute books. So long as the Senate remained Democratic the first Morrill protective tariff bill, which had passed the House of Representatives on May 10, 1860, could not be enacted, notwithstanding President Buchanan had implored Congress to grant our distressed people this prompt and merciful relief. But in the session of 1860-61 so many Southern Senators had withdrawn from Congress to "go with their States" that control of the Senate was secured by the Republicans, and on February 20, 1861, the Morrill protective tariff bill was passed and soon after signed by President Buchanan, who thus made conspicuous reparation for the terrible wrong which his party and its mistaken policy of tariff-for-revenue-only had done to the American people.

LINCOLN A PROTECTIONIST.

On March 4, 1861, there was inaugurated as President a firm protectionist, Abraham Lincoln, all his life a believer in and advocate of the protective-tariff policy. Lincoln had summed up his economic faith in these simple words, which have been often quoted:

> I do not know much about the tariff, but I know this much: When we buy manufactured goods abroad we get the goods and the foreigner gets the money. When we buy the manufactured goods at home we get both the goods and the money.

And this is the platform on which Lincoln stood in 1860 when he was elected President:

> While providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country. We commend therefore that policy of national exchanges which secures to the workingman liberal wages, to agriculture remunerative prices, to mechanics and manufacturers adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence.

In these significant words was embodied the national spirit, as Washington, Hamilton, Jefferson, Madison, Monroe, and Jackson knew, taught, and enforced it. The great industrial States, whose multitudes of free laborers had again become the dominant force under Lincoln in the National Government, would have nothing of the sectional dogma that national protection to labor and industry was "unconstitutional."

THE REAL AMERICAN SPIRIT.

This renewed national spirit found immediate expression everywhere in the policy of the Lincoln administration. On January 29, 1862, a most important War Department order was issued, which proclaimed:

> That no further contracts be made by this department or any bureau thereof for any article of foreign manufacture that can be produced in the United States.
>
> All outstanding orders, agencies, authorities, or licenses for the purchase of arms, clothing, or anything else, in foreign countries or of foreign manufacture for the department are hereby revoked and annulled.

This great measure of protection, self-reliance, and self-defense was a logical, thoroughly characteristic part of the new national policy of Lincoln. It was just what Washington or Jefferson would have done under similar circumstances. In connection with the protective-tariff policy to strengthen our national industries once more thoroughly established, the results were like a new declaration of independence on land and sea. Hon. William D. Kelley, one of the ablest and most eloquent of the leaders in Congress, on January 31, 1866, thus described the change that had come over the country as a consequence of the fiscal policy of the Republican Party:

> When the war began we could not have made the iron for the gun barrels; we can now export better gun barrels than we can import. We then made no steel, and had to rely on foreign countries for material for steel cannon and those steel-pointed shot by which alone we can pierce the ironclads with which we must contend in future warfare. Many of our regiments that came first to the Capital came in rags, though every garment on their backs was new and many of them of freshly imported cloth.
>
> But no army in the world was ever so substantially clothed and armed as that which for two days passed in review before the President of the United States and the Lieutenant General after having conquered the rebellion—an army which, when disbanded, was clad in the product of American spindles and looms and armed with weapons of American materials and construction.

That is exactly what the protective-tariff system in the time of Washington and Jefferson, and also in the time of Lincoln accomplished, and what it inevitably will accomplish whenever given an opportunity. It makes everywhere and always for national independence. To one conspicuous national industry in our time—our ocean shipping industry—the principle of protection has not been applied, and the result is that we are absolutely dependent for the carrying of more than 90 per cent of our own imports and exports on ships of foreign flags, owned and controlled by the subjects of foreign Governments, our rivals in trade and possible enemies in war. To these foreign shipowners, now organized into arrogant trusts and combinations, as investigations by Congress and the Federal courts have lately proved, we are paying every year a vast tribute of between $200,000,000 and $300,000,000. Without protection to this once great national industry, which was thoroughly protected under Washington and Jefferson, we are so destitute of ships sailing away from our own coasts that the American people still recall with smarting humiliation how their battleship fleet in its recent voyage around the world was enabled to make that voyage only by the help of an uncertain fleet of Dutch, Italian, Scandinavian, and British colliers.

A REVIVAL OF ERROR.

Passing from history to the present, I cheerfully acknowledge that the authors of the present Democratic tariff proposal are able, sincere, and patriotic men—as able, sincere, and patriotic as their predecessors, the authors of the unfortunate tariffs of 1846 and 1857, who proved to be so terribly mistaken. The statesmen of that era before the Civil War, who framed the Walker tariff and its immediate successor, did not and could not, in their agricultural environment, understand the complex financial and industrial needs of the American Nation so well as the public men from the great States between New England and Illinois who, with Lincoln, succeeded to the control of the Government in 1861.

The authors of the bill now proposed, reestablishing the policy of tariff-for-revenue only, are more fortunate than their predecessors in that the industrial North is to-day prosperous under Republican laws, and the smoke of factory chimneys is no longer almost unknown in the South. Their honesty of purpose and love of country no man will impeach. Patriotism in our time, in our Nation—thank God!—knows no North or South or East or West. But with full acknowledgment of the sincere motives of those who have framed and are upholding this bill we can not but believe on this side of the Chamber that events will swiftly and conclusively prove them to be as mistaken as their predecessors were.

There is far less justification now for a tariff-for-revenue-only policy in this country than there was in 1846 and 1857. A protective-tariff policy can no longer be accused of being narrowly sectional in its benefits. Manufactures are rapidly spreading all over the United States, including the South. There is no more slave labor, but free labor everywhere. Among the most earnest remonstrants against this present radical tariff bill are the farmers of the Mississippi Valley and the great Northwest, who see their staple products sharply reduced or bodily transferred to the free list, and that at a time when domestic consumption is rapidly overtaking domestic production. The recent fight of the West and Northwest against the so-called Canadian reciprocity agreement was one of the most significant demonstrations of the strength of the protectionist sentiment in America of which history has any record. Those western and northwestern farmers who justly opposed that unfortunate, one-sided "reciprocity" proposal were unwilling to accept practical free trade even with our Canadian neighbors, who of all the people in the world, in their wages and general standards of living, are most nearly equal to our own. When those far western farmers so unitedly opposed free trade with Canada, our neighbor to the north, they gave an emphatic vote of instruction to their Senators and Representatives in Congress never to subject either American agriculture or American manufactures to free trade with all the world.

TARIFF-FOR-REVENUE-ONLY A MINORITY POLICY.

It has already been clearly pointed out by other Senators in the course of this debate that a very large majority of the American people in the recent national election declared in favor of a combined tariff-for-revenue-and-protection principle as against a tariff-for-revenue only. The united vote of the

Republican and Progressive Parties, both of whose national platforms affirmed a belief in a tariff for protection of American labor as well as for national revenue, commanded more than one million majority over the Democratic vote, which, only because of a deplorable break in the protectionist ranks, was enabled to make Mr. Wilson President. Moreover, there can be no question that in nearly all the Northern States many voters cast a Wilson ballot for other reasons than approval of a tariff-for-revenue-only policy or of the candidate himself. All over the North—and the same thing is doubtless true of the South—there are thousands of business men who, though acting with the Democratic Party, are in principle protectionists, like the Democratic governor of Massachusetts, who has pronounced severe condemnation on the pending bill.

THE SOUTHERN VIEW.

Disclaiming all purpose of raising the sectional issue in what I have already said I will, nevertheless, take occasion to further suggest that the condition to-day clearly illustrates the determination of the South so to reduce import duties as to do away altogether with protection to the industries of the United States. It is not a new question. From the days of Democratic nullification in South Carolina, more than 80 years ago, to the present time the South has clamored for practical free trade, and has never failed to denounce protection when opportunity presented itself. It will be recalled that the Confederate constitution contained the following free-trade provision:

SEC. 8. The Congress shall have power—

1. To lay and collect taxes, duties, imposts, and excises for revenue necessary to pay the debts, provide for the common defense, and carry on the Government of the Confederate States; but no bounties shall be granted from the treasury; nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry; and all duties, imposts, and excises shall be uniform throughout the Confederate States.

That was the declaration of the Confederate States on the question of the tariff—a declaration in favor of absolute and unrestricted free trade between the Confederacy and all the nations of the earth. The laws enacted by the Confederate Congress were along the same line, committing the Confederacy absolutely and without qualification to the free-trade theories that had dominated the South up to that time, and which unfortunately find expression in the bill now before the Senate.

WOODROW WILSON AND THE TARIFF.

In this connection it is significant that in 1882 Mr. Woodrow Wilson, a southern man, appeared before the Tariff Commission at Atlanta, Ga., to give testimony on tariff matters, on which occasion he used the following words:

It is not my purpose to represent or advocate any particular interest, but only to say a few words upon the general issues before you on the subject of protection or free trade. This question of the tariff is one which has been under consideration in Congress for ninety-odd years. Early in the century protection was introduced for the purpose of fostering new manufactures in this country. That system was continued down to the time of the war; but since the war it has been upheld professedly for the purpose of raising revenue and to enable the Government to recover from the indebtedness caused by the war. Free trade therefore has been a slumbering question, but it will soon become one of the leading questions in all political discussions, because, now that peace has come, the people of the South will insist upon having the fruits of peace and not being kept down under the burdens of war.

It is an interesting fact that Mr. Wilson, at that time a comparatively young man, declared that free trade was a slumbering question, and that the people of the South would insist upon getting rid of protection. He is now President of the United States, and it is not to be wondered at that the declaration then made is still in his mind. Declaring that no man with his senses about him would recommend perfect freedom of trade in the sense that there should be no duties whatever laid on imports, Mr. Wilson added:

The only thing that free traders contend for is that there shall be only so much duty laid as shall be necessary to defray the expenses of the Government, reduce the public debt, and leave a small surplus for accumulation—

which manifestly meant that no duties whatever should be laid for the purpose of equalizing the cost of production at home and abroad so as to protect American manufactures and labor against the cheap labor of foreign countries. He further maintained that—

Manufacturers are made better manufacturers whenever they are thrown upon their own resources and left to the natural competition of trade.

In answer to the question from Commissioner Garland, "Are you advocating the repeal of all tariff laws?" Mr. Wilson made the following astonishing reply:

Of all protective tariff laws; of establishing a tariff for revenue merely. It seems to me very absurd to maintain that we shall have free trade between different portions of this country and at the same time shut ourselves out from free communication with other producing countries of the world. If it is necessary to impose restrictive duties on goods brought from abroad, it would seem to me, as a matter of logic, necessary to impose similar restrictions on goods taken from one State of the Union to another. That follows as a necessary consequence; there is no escape from it.

Equally astonishing was the following declaration:

Protection also hinders commerce immensely. The English people do not send as many goods to this country as they would if the duties were not so much, and in that way there is a restriction of commerce, and we are building up manufactories here at the expense of commerce. We are holding ourselves aloof from foreign countries in effect and saying, "We are sufficient to ourselves; we wish to trade not with England, but with each other." I maintain that it is not only a pernicious system, but a corrupt system.

Passing over the remarkable suggestion that if we have tariff laws between this country and other countries, we ought equally to have them between the several States, where industrial conditions and wages are similar, it goes without the saying that if we enter into free and open competition with the nations of the world England will send more goods to this country than she will if import duties are exacted from her. Indeed, it does not require any stretch of the imagination to conclude that under such conditions England, France, and Germany will supply us with everything that we consume. Why not? And yet this economist, who is now President of the United States, openly declared that the hindrance that protection offers to commerce should be removed so that the English people could send more goods to this country, supplanting American manufactures, thus depriving American workingmen of a livelihood.

I hope President Wilson is now ready to repudiate the utterances of Prof. Wilson, but I fear that Ephraim is wedded to his idols, and that the same views are held in 1913 as were expressed in 1882.

Turning to Prof. Wilson's History of the American People, a most readable book, it is interesting to note what he had to say about the panic of 1893, during the period of the Wilson-Gorman low-tariff law. These are his words:

The business of the country had fallen dull and inactive because of the financial disquietude of the time. A great poverty and depression had come upon the western mining regions and upon the agricultural regions of the West and South. * * * Men of the poorer sort were idle everywhere, and filled with a sort of despair. All the large cities and manufacturing towns teemed with unemployed workingmen who were with the utmost difficulty kept from starvation by the systematic efforts of organized charity. In many cities public works were undertaken upon an extensive scale to give them employment. In the spring of 1894 armies of the unemployed began to gather in the western country for the purpose of marching upon Washington, like mendicant hosts, to make known to the Government itself, face to face, the wants of the people. * * * Countrysides experienced a sort of panic at their approach. It began to seem as if there were no law or order in the land. Society itself seemed demoralized, upset. * * *

Prof. Wilson continues:

The elections of 1896 had shown, in a fashion the country was not likely to forget, the volcanic forces which had been kept just beneath the surface while he (Cleveland) was President. The issue which had dominated all the rest was the question of the coinage. But that question did not stand alone. It seemed, indeed, but a single item in the agitated thought of the time. Opinion everywhere seemed to have broken from its old moorings. There had been real distress in the country, long continued, hopeless, as if the springs of wealth and prosperity were dried up. The distress was most marked and apparently most hopeless in the great agricultural areas of the South and West. The prices of agricultural products had fallen so low that universal bankruptcy seemed to the farmers to be but a little way off. There was a marked depression in all kinds of business, as if enterprise were out of heart and money nowhere to be had except among a few great capitalists in Wall Street. * * *

* * * No one could deny that the country had fallen upon evil times, that the poor man found it harder than ever to live, and that many a law needed to be looked into which put the poor at a disadvantage. The country teemed with men who found themselves handicapped in all they tried to do; they could but conjecture why.

After describing the election of President McKinley, Prof. Wilson further says:

Obviously the business world, the whole world of industry, was in process of revolution. America in particular had come to the crisis and turning point of her development. Until now she had been struggling to release and organize her resources, to win her true economic place in the world. Hitherto she had been always a debtor nation, her instruments of industry making and to be made, her means of transportation, the vast systems of steel highways which were to connect her fields and factories with the markets of the world, as yet only in course of construction. * * * Except what her fields produced, the country had as yet but little with which to pay the interest and the capital of her debts; her fields were in some sense the granary of the world. As agricultural prices fell it required more and more foodstuffs to pay her balances. In those fatal years of depression, 1893–1896, when business threatened to stand still, because of the state of the currency, and the crops fetched little more than would pay for their carriage, it was necessary to pay huge foreign balances in coin, and $87,000,000 in gold had to be shipped over sea to the country's creditors in a single twelvemonth (1893). * * *

Now listen to this remarkable statement by Prof. Wilson:

Not until the very year 1897, when the new Republican administration came in, did the crisis seem to be past. The country had at last built its railway and manufacturing systems up, had at last got ready to come out of its debts, command foreign markets with something more than its foodstuffs, and make for itself a place of mastery.

It is proper for me to observe that Prof. Wilson claimed that the condition of things existing during the last Cleveland admin-

istration was largely due to the agitation of the silver question and to a partial failure of crops in the agricultural regions of the West and South, but that contention is not sustained by facts. He might well have added that the change in 1897 for the better, which he so graphically described, came because McKinley's election assured the country that a protective-tariff law would be passed to take the place of the Wilson-Gorman tariff law then on the statute books. It was that fact that gave heart to the industries of the country, rescuing them from the sad plight that had overtaken them during the Cleveland administration.

A HARD BLOW TO NEW ENGLAND.

Mr. President, this bill strikes a hard blow to the industries of the New England States, which produce more than one-half the boots and shoes of the Nation and more than one-half the cotton, worsted, woolen, and felt goods output. New England also leads the Nation in the fishing industry and in the production of watches and clocks, hardware, cutlery, and tools; has the largest woolen mills, shoe, watch, and confectionery factories in the world; has 42.1 per cent of the manufacturing establishments of the country which employ 500 or more employees each, and has nearly four times the density of population that is an average for the rest of the United States.

The Boston Globe, a Democratic newspaper, has collected the following interesting statistics, as shown by the United States census for 1910, covering the six New England States:

Maine's industrial showing.

Manufactures.	Number or amount.			Per cent of increase.	
	1909	1904	1899	1904–1909	1899–1904
Number of establishments	3,546	3,145	2,878	12.8	9.3
Persons engaged in manufactures	88,476	82,109	(1)	7.8	.....
Proprietors and firm members	3,661	3,379	(1)	8.3	.....
Salaried employees	4,860	3,772	3,103	28.8	21.6
Wage earners (average numbers)	79,955	74,958	69,914	6.7	7.2
Primary horsepower	459,599	343,627	259,232	33.7	32.6
Capital	$202,260,000	$143,708,000	$114,008,000	40.7	26.0
Expenses	$154,821,000	$129,208,000	$97,520,000	19.8	32.5
Services	$43,429,000	$36,681,000	$28,782,000	18.4	27.4
Salaries	$5,797,000	$3,989,000	$3,051,000	45.3	30.7
Wages	$37,632,000	$32,692,000	$25,731,000	15.1	27.1
Materials	$97,101,000	$80,042,000	$61,210,000	21.3	30.8
Miscellaneous	$14,291,000	$12,485,000	$7,528,000	14.5	65.8
Value of products	$176,029,000	$144,020,000	$112,959,000	22.2	27.5
Value added by manufacture	$78,928,000	$63,978,000	$51,749,000	23.4	23.6

[1] Figures not available.

Population in 1910, 742,371, an increase of 47,905 in the last decade.

Increase from 1904 to 1909 in number of spindles in textiles 154,594, or 14.7 per cent. Increase in looms 2,473, or 8.8 per cent.

In 1899 Maine produced 217,281 tons of paper; in 1904 the product was 385,999 tons, and in 1909 it was 574,215 tons. The value of this paper product in 1904 was $17,480,168, an increase over 1899 of 86.1 per cent, and in 1909 the value of the paper product was $27,637,697, an increase over 1904 of 58.1 per cent.

In the lumber industry there was a gain of 41.7 per cent in the decade in the rough lumber sawed, a gain of 55.1 per cent in the production of lath, and a gain of 28.4 per cent in the production of shingles.

Maine's canning industry shows an increase from 1904 to 1909 of 90.4 per cent.

The value of farm property increased 62.8 per cent.

Specific industries in Maine.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904–1909	1899–1904	1904–1909	1899–1904
Paper and wood pulp	8,647	$33,950,000	$13,446,000	47.9	73.6	48.0	48.8
Lumber and timber products	15,086	26,125,000	15,195,000	22.4	39.5	22.3	63.8
Cotton goods and cotton small wares	14,634	21,932,000	10,542,000	42.4	5.3	69.1	−17.9
Boots and shoes, cut stock and findings	6,626	15,509,000	5,568,000	23.0	1.4	33.4	4.7
Bread and other bakery products	586	2,235,000	807,000	50.1	23.6	31.9	9.1
Cars and railroad general shop construction	1,200	2,048,000	849,000	72.1	38.9	68.1	36.9
Confectionery	214	711,000	375,000	43.1	67.3	93.3	39.6
Glucose and starch	120	687,000	212,000	31.1	−5.8	32.5	−18.8
Boxes, fancy and paper	280	304,000	179,000	28.8	3.5	37.7	19.3

Massachusetts' industrial progress.

Manufactures.	Number or amount.			Per cent of increase.	
	1909	1904	1899	1904–1909	1899–1904
Number of establishments	11,684	10,723	10,029	9.0	−1.9
Persons engaged in manufactures	644,399	532,481	(1)	21.0	.....
Proprietors and firm members	11,194	11,258	(1)	−.6	.....
Salaried employees	48,646	32,824	25,256	48.2	30.0
Average number of wage earners	584,559	488,399	438,234	19.7	11.4
Primary horsepower	1,175,071	938,007	796,061	25.3	17.8
Capital	$1,279,687,000	$965,949,000	$781,868,000	32.5	23.5
Expenses	$1,320,866,000	$992,294,000	$785,805,000	33.1	26.3
Services	$364,452,000	$272,044,000	$224,758,000	34.0	21.0
Salaries	$63,279,000	$39,655,000	$29,480,000	59.6	34.5
Wages	$301,173,000	$232,389,000	$195,278,000	29.6	19.0
Materials	$830,765,000	$626,410,000	$498,655,000	32.6	25.6
Miscellaneous	$125,649,000	$93,840,000	$62,392,000	33.9	50.4
Value of products	$1,490,529,000	$1,124,092,000	$907,626,000	32.6	23.8
Value added by manufacture	$659,764,000	$497,682,000	$408,971,000	32.6	21.7

[1] Figures not available.

Population in 1910, 3,366,416, or 418 per square mile.

From 1849 to 1909 the value of manufactured products increased tenfold.

Two hundred and ninety-three industries have products valued at $1,000,000 or more; 4 of these have products of $50,000,000, 6 have products of $25,000,000, 16 have products of $10,000,000. The Massachusetts fishing industry products exceed $7,000,000 a year.

Specific industries in Massachusetts.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904–1909	1899–1904	1904–1909	1899–1904
Boots and shoes	83,063	$236,343,000	$83,353,000	36.1	23.0	32.2	33.7
Cotton goods	104,914	186,462,000	81,305,000	43.4	17.0	63.3	−12.2
Woolen and worsted	53,873	141,967,000	53,991,000	42.9	34.1	47.8	26.2
Foundry and machine shop products	44,179	86,926,000	55,744,000	36.4	.4	41.8	1.4
Printing and publishing	17,532	47,445,000	34,564,000	20.8	11.8	21.9	8.3
Slaughtering and meat packing	3,325	44,403,000	5,517,000	16.8	17.5	33.6	10.1
Paper and wood pulp	12,848	40,097,000	17,747,000	25.3	44.6	26.2	37.6
Leather, tanned, curried, and finished	10,252	40,002,000	11,236,000	19.9	27.9	9.0	64.4
Electrical machinery, app. and supplies	14,507	28,143,000	15,408,000	77.2	51.4	80.0	63.3
Bread and other bakery products	6,697	26,146,000	10,419,000	40.1	21.0	31.2	12.2
Jewelry	7,423	15,211,000	9,632,000	51.0	−2.2	51.9	7.3
Automobiles, including bodies and parts	4,138	11,359,000	5,868,000	326.5	246.3	320.6	201.9

New Hampshire's industrial showing.

Manufactures.	Number or amount.			Per cent of increase.	
	1909	1904	1899	1904–1909	1899–1904
Number of establishments	1,961	1,618	1,771	21.2	8.6
Persons engaged in manufactures	84,191	69,758	(1)	20.7	.....
Proprietors and firm members	2,014	1,726	(1)	16.7	.....
Salaried employees	3,519	2,666	2,668	32.0	28.9
Wage earners (average numbers)	78,658	65,366	67,646	20.3	3.4
Primary horsepower	293,991	218,344	200,975	34.6	8.6
Capital	$139,990,000	$109,495,000	$92,146,000	27.8	18.8
Expenses	$149,215,000	$112,888,000	$94,365,000	32.2	19.6
Services	$40,391,000	$30,665,000	$28,050,000	31.7	9.3
Salaries	$4,191,000	$2,972,000	$2,200,000	41.0	35.1
Wages	$36,200,000	$27,693,000	$25,850,000	30.7	7.1
Materials	$98,157,000	$73,216,000	$60,163,000	34.1	21.7
Miscellaneous	$10,667,000	$9,007,000	$6,152,000	18.4	46.4
Value of products	$164,581,000	$123,611,000	$107,591,000	33.1	14.9
Value added by manufacture	$66,424,000	$50,395,000	$47,428,000	31.8	6.3

[1] Figures not available.

The value of New Hampshire's manufacturing products show a sixfold increase from 1849 to 1909. For the last decade the industries show a net increase of 10.7 per cent in number of establishments, 16.3 per cent increase in the number of wage earners, 53 per cent increase in value of products, and 40.1 per cent increase in value added by manufacture.

There were only 571 wage earners in the tobacco industry of New Hampshire in 1909; but to-day there is double that number, and the business has increased in like proportion.

In the last decade the value of the live stock on farms increased 12.8 per cent, value of poultry increased 39 per cent, value of crops increased 30.2 per cent.

Specific industries in New Hampshire.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904–1909	1899–1904	1904–1909	1899–1904
Boots and shoes, cut stock and findings	14,211	$39,440,000	$11,225,000	72.7	−3.9	58.4	0.5
Cotton goods and cotton small wares	22,290	33,602,000	14,478,000	13.7	28.4	31.1	.1
Woolen, worsted, felt goods and wool hats	9,486	16,731,000	5,636,000	17.1	(1)	17.3	(1)
Lumber and timber products	8,464	15,284,000	8,021,000	32.1	− .2	27.9	−6.9
Paper and wood pulp	3,413	13,994,000	4,741,000	56.7	23.3	31.6	9.4
Foundry and machine shop products	2,396	4,947,000	3,248,000	52.5	−6.5	56.8	.7
Marble and stone work	1,527	1,818,000	1,520,000	50.9	11.6	64.5	16.7
Bread and other bakery products	454	1,683,000	628,000	56.6	28.9	48.5	10.2
Tobacco manufacture	571	1,250,000	574,000	119.3	3.6	85.8	12.8
Hosiery and knit goods	3,129	4,764,000	2,128,000	19.9	(1)	21.9	(1)

[1] Comparable figures unobtainable.

Vermont's industrial showing.

Manufactures.	Number or amount.			Per cent of increase.	
	1909	1904	1899	1904–1909	1899–1904
Number of establishments	1,958	1,699	1,938	15.2	−12.3
Persons engaged in manufacturing	38,580	37,015	(1)	4.2	.....
Proprietors and firm members	2,113	1,856	(1)	13.8	.....
Salaried employees	2,679	2,053	1,695	30.5	21.1
Wage earners (average number)	33,788	33,106	28,179	2.1	17.5
Primary horsepower	159,445	140,616	126,124	13.4	11.5
Capital	$73,470,000	$62,659,000	$43,500,000	17.3	44.0
Expenses	$59,851,000	$54,677,000	$42,867,000	9.5	27.6
Services	$20,075,000	$17,324,000	$13,038,000	15.9	32.9
Salaries	$2,803,000	$2,103,000	$1,611,000	33.3	30.5
Wages	$17,272,000	$15,221,000	$11,427,000	13.5	33.2
Materials	$34,823,000	$32,430,000	$26,385,000	7.4	22.9
Miscellaneous	$4,953,000	$4,923,000	$3,444,000	.6	42.9
Value of products	$68,310,000	$63,084,000	$51,515,000	8.3	22.5
Value added by manufacture	$33,487,000	$30,654,000	$25,130,000	9.2	22.0

[1] Figures not available.

From 1849 to 1900 the value of manufactured products of Vermont increased nearly eightfold, and from a per capita rate of $27 to $192.

In the last decade the value of the butter, cheese, and condensed milk industry products increased 43.4 per cent.

In the last decade the number of spindles in the woolen and worsted mills grew from 37,460 to 51,404; the number of looms increased from 775 to 1,297.

From 1904 to 1909 the gas illuminating and heating industry showed a growth of 115.5 per cent in value of products, and an increase of 95.6 per cent in value added by manufacture.

Vermont leads the country in the products of her marble and her granite industries.

Of the land area of the State 79.9 per cent is in farms. In the decade to 1910 the value of all farm property increased $38,948,301, or 34.1 per cent.

Specific industries in Vermont.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904–1909	1899–1904	1904–1909	1899–1904
Marble and stone work	10,411	$12,395,000	$9,877,000	29.5	50.0	30.6	68.0
Flour mill and gristmill products	156	4,133,000	605,000	28.9	15.7	81.1	−30.8
Cars and railroad shop, general construction	992	1,135,000	606,000	32.0	4.2	25.5	1.7
Bread and other bakery products	242	994,000	370,000	99.2	19.7	66.7	5.2
Cooperage and wooden goods	635	693,000	453,000	55.7	178.1	53.6	183.7
Canning and preserving	118	330,000	116,000	168.3	−40.6	93.3	−39.4
Printing and publishing	666	1,039,000	789,000	11.5	17.7	13.4	15.6
Agricultural implements	360	582,000	310,000	31.7	19.5	19.2	26.2
Confectionery	145	356,000	142,000	44.7	− .8	29.1	−20.3

Rhode Island's industrial showing.

Manufactures.	Number or amount.			Per cent of increase.	
	1909	1904	1899	1904–1909	1899–1904
Number of establishments	1,951	1,617	1,678	20.7	−3.6
Persons engaged in manufactures	122,641	104,299	(1)	17.6	.....
Proprietors and firm members	1,721	1,516	(1)	10.2	.....
Salaried employees	7,382	5,420	4,022	36.2	34.8
Wage earners (average number)	113,538	97,318	88,197	16.7	10.3
Primary horsepower	226,740	182,608	153,619	24.2	18.9
Capital	$290,901,000	$215,901,000	$176,902,000	34.7	22.0
Expenses	$242,264,000	$177,649,000	$140,347,000	36.4	26.6
Services	$65,811,000	$50,154,000	$41,296,000	31.2	21.4
Salaries	$10,577,000	$7,041,000	$5,301,000	50.2	32.8
Wages	$55,234,000	$43,113,000	$35,995,000	28.1	19.8
Materials	$158,192,000	$112,872,000	$87,952,000	40.2	28.3
Miscellaneous	$18,261,000	$14,623,000	$11,099,000	24.9	31.8
Value of products	$280,344,000	$202,110,000	$165,550,000	38.7	22.1
Value added by manufacture	$122,152,000	$89,238,000	$77,598,000	36.9	15.0

[1] Figures not available.

In 1904 Rhode Island had 41 manufacturing establishments, turning out products of $1,000,000 or over. In 1909 there were 69 establishments doing that amount of business.

While the smallest State in the country, Rhode Island in 1909 ranked third in the production of woolen and worsted goods, fourth in the production of cotton goods, sixth in the production of silk goods, and eleventh in the production of hosiery and knit goods.

From 1904 to 1909 the number of spindles in operation increased 347,022, or 13.9 per cent; the number of looms increased 17,263, or 27 per cent; the number of knitting machines increased 499, or 42.6 per cent; the number of combing machines increased 167, or 56.8 per cent.

In 1910 the population was 542,610, a gain of 26.6 per cent.

Specific industries in Rhode Island.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904–1909	1899–1904	1904–1909	1899–1904
Woolen, worsted, felt goods, and wool hats	24,924	$74,600,000	$23,575,000	41.7	36.1	41.1	21.1
Cotton goods and cotton small wares	28,786	50,313,000	24,912,000	45.5	30.8	67.1	1.1
Jewelry	9,511	20,685,000	10,897,000	43.3	9.1	40.2	10.2
Foundry and machine-shop products	10,937	20,612,000	12,598,000	45.2	4.4	37.2	14.5
Electrical machinery, appliances and supplies	1,601	6,410,000	1,815,000	17.9	6.3	28.0	45.0
Slaughtering and meat packing	214	3,156,000	362,000	18.8	2.3	32.6	−9.6
Silk, silk, goods, and throwsters	1,685	4,584,000	1,396,000	79.3	95.0	62.3	74.8
Enameling and japanning	615	570,000	424,000	68.6	27.5	53.6	36.6
Tobacco manufactures	268	537,000	341,000	50.0	22.2	52.9	10.9
Malt liquors	450	3,579,000	2,391,000	30.6	45.7	18.5	41.3

Connecticut's industrial showing.

Manufactures.	Number or amount.			Per cent of increase.	
	1909	1904	1899	1904–1909	1899–1904
Number of establishments	4,251	3,477	3,382	22.3	2.8
Persons engaged in manufacturing	233,871	198,046	(1)	18.1	.....
Proprietors and firm members	3,468	2,918	(1)	18.8	.....
Salaried employees	19,611	13,523	9,258	45.0	46.1
Wage earners (average number)	210,792	181,605	159,733	16.1	13.7
Primary horsepower	400,275	304,204	256,331	31.6	18.7
Capital	$517,547,000	$373,284,000	$299,207,000	38.6	24.8
Expenses	$429,904,000	$328,610,000	$274,170,000	30.8	19.9
Services	$135,756,000	$104,983,000	$85,149,000	29.3	23.3
Salaries	$25,637,000	$17,040,000	$11,755,000	50.5	45.0
Wages	$110,119,000	$87,943,000	$73,394,000	25.2	19.8
Materials	$257,259,000	$191,302,000	$169,672,000	34.5	12.7
Miscellaneous	$36,889,000	$32,325,000	$19,349,000	14.1	67.1
Value of products	$490,272,000	$369,082,000	$315,106,000	32.8	17.1
Value added by manufacture	$233,013,000	$177,780,000	$145,434,000	31.1	22.2

[1] Figures not available.

Population in 1910, 1,114,756, a gain of 206,336 over 1900.

Connecticut leads the country in the value of products of her gold and silver refineries.

Connecticut leads the country in brass and bronze products with 44.6 per cent of the national total.

Connecticut leads the country in production of firearms and ammunition.

Specific industries in Connecticut.

Industries.	Average number of wage earners.	Value of products.	Value added by manufacture.	Per cent of increase.			
				Value of products.		Value added by manufacture.	
				1904-1909	1899-1904.	1904-1909	1899-1904
Brass and bronze products	16,817	$66,933,000	$19,069,000	24.1	9.9	19.2	28.5
Foundry and machine-shop products	37,736	65,535,000	40,715,000	46.2	12.0	38.2	21.1
Cotton goods and small wares	14,360	24,232,000	12,272,000	31.5	19.0	49.3	3.4
Silk, silk goods and throwsters	8,703	21,063,000	9,229,000	34.8	26.2	41.4	26.0
Woolen, worsted, felt goods, and wool hats	7,789	19,363,000	6,525,000	25.1	22.5	20.6	14.8
Automobiles, bodies and parts	3,815	11,668,000	6,812,000	341.3	.....	360.0	.....
Electrical machinery, appliances and supplies	3,505	9,824,000	4,613,000	98.9	55.9	111.0	83.1
Lumber and timber products	3,495	7,846,000	3,928,000	63.7	13.2	69.8	12.0
Typewriters and supplies	2,934	4,016,000	2,975,000	145.3	108.8	132.1	106.4
Women's clothing	1,382	1,716,000	918,000	56.3	78.5	62.8	44.6
Bread and bakery products	1,869	7,310,000	2,847,000	23.9	13.2	16.1	6.9
Paint and varnish	236	1,543,000	718,000	199.6	28.8	237.1	28.3

It will be seen from the above tables that in New England the number of manufacturing establishments is 25.351; the capital invested is $2,503,855,000; the total number of persons engaged in manufacturing is 1,212,158; the total number of wage earners is 1,100,886; the amount of wages paid annually to employees is $557,630,000; the amount of other salaries is $112,284,000, making the total for salaries and wages $669,-914.000; the value of materials is $1,476,297,000; the value of product is $2.670,065,000, and the value added by manufacture is $1,193,768,000.

A REMARKABLE RECORD.

That is certainly a most remarkable record, and it indicates the disaster that will overtake New England if the rates of duty in this bill are not sufficient to equalize the difference in cost of production at home and abroad, which I contend is not the fact. Among other things, it will be observed that the annual average wage paid in all the industries of New England, men, women, and children included, is $506, an infinitely higher wage than is paid in any European country and at least 30 per cent higher than is paid in the States of the South.

AN UNWARRANTED ATTACK.

Mr. President, it has been a matter of much regret to me that a New England Senator, my colleague from New Hampshire [Mr. HOLLIS], felt called upon to make a violent attack upon the industrial conditions of New England, and especially upon the textile *industry*. In a speech delivered in the Senate on the 11th day of August he, among other things, said:

My constituents as a whole have no sympathy with the provincial doctrine that New England must be coddled or "protected" at the expense of the South and West. When her public men in years past have begged for special tariff privileges at the Nation's Capital she has been misrepresented. She bids me say, Mr. President, that what is best for the country at large is best for her.

If the election of 1912 meant anything beyond a shifting of public officials, it meant that the Democratic tariff policy was indorsed.

* * * I pledged my best efforts to securing for New England fair treatment in that revision and an equitable adjustment among New England industries

* * * Let these Senators remember that we are now taking merely a first step toward a revenue tariff. After we have seen the result of this first step we shall be in position to take a second. I very much fear that if we should make that first step so long that the cotton industry should receive a severe blow we might not be in a position politically to take the second step at an early date.

But even as a first step we have made a reduction on the whole cotton schedule * * * of 35 per cent. Two more steps like the first would leave the cotton industry of America entirely without protection.

Protected manufacturers * * * interfere with legislation * * * secure favors from railroads * * * control local boards of assessors * * * control local officials * * * control local courts * * * interfere in senatorial contests * * * oppose labor laws * * * pay high dividends.

* * * While these mills pay enormous dividends to their stockholders they pay starvation wages to their operatives.

When mill workers of a New England city hired a hall during the Lawrence strike to consider whether they should themselves go out on strike, the local police prevented the use of the hall, and when the operatives tried to hold meetings in the street some of them were arrested. This was accomplished by the mill owners through the chief of police, who was controlled by the police commissioners, who were appointed by the governor at the direction of the mill owners.

Taking up these declarations in order, I beg to say that my colleague is laboring under a misapprehension when he asserts that New England bids him to speak for her industrial interests. New England believes in a protective tariff, and no man who supports the bill now under consideration, or who defends men like Ettor, Haywood, and others of their ilk, represents in any way her views. It is, furthermore, an unwarranted assumption to say that New England has been "coddled" or "protected" at the expense of the South and West. While the tariff has undoubtedly been of much value to New England industries, New England has reciprocated by helping to consume the agricultural products of the great West, and through her representatives in Congress by giving warm support to legislation in behalf of the West, such as the irrigation laws and the effort to retain duties on agricultural products. We also reciprocate with the South by consuming enormous quantities of her raw cotton, lumber, sugar, and rice. My colleague's solicitude for the West was not in evidence when he voted to put wheat and other agricultural products on the free list.

Equally mistaken is my colleague in declaring that the Democratic tariff policy was indorsed at the last election. How on earth anyone can believe that a policy that was repudiated by a majority of over a million voters of the country was "indorsed" surpasses my comprehension. Had not the Republican Party been divided, and had the issue of protection or a tariff-for-revenue-only been squarely presented to the voters of the country protection would have been overwhelmingly indorsed.

My colleague called attention to the fact that he pledged his best efforts to give New England fair treatment in the revision of the tariff, but it will be found when this bill becomes a law that New England has not been fairly treated, and that hundreds of her industries will be greatly harmed, if not entirely destroyed, because of the radical and unwarranted reductions that have been made in the rates of duty. My colleague's votes in favor of either largely reducing or placing on the free list granite, cutlery, latch needles, paper and pulp, manufactures of cotton and wool, boots, shoes, and leather, hay, eggs, butter, potatoes, maple sugar and sirup, and other New England products, is a poor fulfillment of his promise.

But the most startling declaration that my colleague made is found in the statement that this bill is merely the first step toward a revenue tariff, and his assurance that after the Democratic Party has seen the result of this first step they will be in a position to take a second. He further says that he fears that if they should make that first step so long that the cotton industry should receive a severe blow they might not be in a position, politically, to take the second step at an early date. Evidently this means that the second step is to be taken and that it is expected to deal a "severe blow" to the cotton industry. It would be more correct to say that, instead of administering a severe blow, it n ay be a deathblow to that great industry.

He further suggests that the first step that his party has taken reduces the rates of duty on the cotton schedule 35 per cent, and significantly adds that "two more steps like the first would leave the cotton industry of America entirely without protection." This program is doubtless the justification for my colleague's suggestion that "it is a subject for anxious thought whether a State is better off for possessing many cities of this character"; that is to say, cities like Manchester, Nashua, Dover, Lowell, Lawrence, New Bedford, Fall River, and other industrial cities scattered throughout the New England States. Let us for a moment imagine what the condition of New England would be if the cities where textile manufacturing is carried on were forced to abandon that industry and the operatives be compelled to seek for employment in other avenues of trade and industry. What would become of New Hampshire under such circumstances? It is a spectacle not to be contemplated calmly by those of us who believe that the present prosperity and the future greatness of New England largely depend upon her manufacturing strength and development. One New Hampshire Senator may contemplate with equanimity the possible destruction of the textile industry in New England, but any man who advocates such a contingency has no right to pretend that he represents New England sentiment.

My colleague's declaration that protected manufacturers interfere with legislation, secure favors from railroads, control local boards of assessors, control local officials, control local courts, interfere with senatorial contests, oppose labor laws, pay enormous dividends to their stockholders and starvation

wages to their employees, might well do for a stump speech in the heat of a political campaign, but it is so utterly preposterous that it ought never to have been uttered in the Senate of the United States. So far as I know, the men who control our great manufacturing industries are as honorable, patriotic, and law-abiding citizens as can be found among any class of our people, and it is not the part of fairness or justice to denominate them as men who are engaged in questionable and unlawful conduct. The charge made against them can not be sustained and ought to be promptly withdrawn.

My colleague's statement that the local police of a New England city prevented the mill workers from using a hall in which to hold meetings during the Lawrence strike, due to the fact that the owners of the mills controlled the governor and police commissioners, who in turn controlled the police, is on a par with many other statements to be found throughout this remarkable speech. The simple fact is that the operatives of no New England city were forbidden to hold meetings, but the Industrial Workers of the World, men like Ettor, Giovanitti, and the notorious Haywood, who were haranguing and inciting to violence the foreign element in the mills of Lawrence and other New England cities, were taken care of, very properly, by the police force, as they have been in other parts of the country. It seems to me that it is about time for this talk about the Lawrence strike to come to an end. It was organized and conducted by socialists and anarchists, men who openly declared that they had no respect for either the flag or the laws of our Government, and who advised violence in all its forms. The result of that agitation is that the laboring people, through the advice of those men, lost hundreds of thousands of dollars. For the time being peace reigns in Lawrence, and it will continue to reign unless those same revolutionary agitators appear on the scene and incite to further violence and disorder.

HOURS OF LABOR.

My colleague also called special attention to the hours of labor that are required in the mills of New England, citing the fact that New Hampshire has a law fixing the maximum at 55 hours a week and, evidently for the purpose of showing that that is an excessive requirement, cited the fact that the Committee on the District of Columbia has reported a bill establishing the eight-hour law for women and children in the District. He might have added that that bill was reported under protest from a great many women in the city of Washington, who prefer to work a longer number of hours in cases of emergency for the purpose of adding to their scanty income. And when my colleague pictured the conditions of the working people in the textile cities of the country as being in some respects deplorable he might well have carried his comparison between New England and the District of Columbia to the alley conditions which exist in the city of Washington, and which he himself recently investigated. If it is the duty of the manufacturers of New England to see that the operatives have sanitary surroundings whether they want them or not, it would seem to be equally incumbent upon the General Government and the government of the District of Columbia to get rid of the slum conditions in Washington, which my colleague in a recent interview so severely and properly condemned. Personally I diligently labored for many years, with a certain degree of success, to accomplish that result, and I trust that my colleague will continue the good work.

THE DEATH RATE.

It is of interest in this connection to note the fact that in the calendar year 1912 the death rate in the District of Columbia was 14.18 per 1,000 for whites and 26.88 per 1,000 for the colored population. The general death rate in the District of Columbia for the year 1912 was 17.73, as against 16 in the much advertised textile city of Lawrence, Mass. The abnormal death rate for the colored people of the District, doubtless largely due to insanitary and other similar conditions, might well engage the attention of the committee of which my colleague is a member, with a view to further correcting conditions at the Capital of the Nation, which would seem to be as imperative as to correct conditions in the textile cities of the country. Efforts have been made along this line from time to time, but notwithstanding much progress has been made through legislation and otherwise, there still remains a great deal to be done to bring about ideal conditions. Again, why was not the fact stated that in southern textile mills, where goods are made in competition with the mills of New England, the hours of labor are much longer and children are employed at a less age than is permitted by law in the New England States? Why not be fair?

My colleague complains of the wages paid in the textile industries. Those men are mostly foreign born, mostly unskilled, and they come to this country with a full knowledge of the wages they will receive, which are more than twice what they received in the countries from whence they came. I may be permitted to suggest that if they are not satisfied with the wage they receive here there is no law compelling them to remain in this country. It will require a wise man to figure out how our manufacturers can pay twice the wages that are paid abroad and sell their product in competition with foreign manufacturers without protection, but possibly the Democratic Party can solve that problem. The probabilities are, however, that when the bill under consideration becomes a law and American manufacturers are compelled to either reduce wages or go out of business there will be an awakening as to the folly of the proposed legislation.

Mr. President, I hold no brief for the textile industry of New England. I never asked for or received a favor from any manufacturing or other corporation, but at the same time I know of no reason why the textile industry should be singled out and assailed by any New England man, or placed in a false attitude before the people of the country. Enterprising and excellent men are engaged in the business, and the present prosperity of the New England States is largely dependent upon their energy and business sagacity. They certainly deserve fair treatment at the hands of their representatives in Congress, and more than that they do not ask or expect. Beyond a doubt mill conditions can be and are being improved from year to year, for it is a well-established fact that well-paid and contented laborers are more profitable to their employers than underpaid and discontented men and women.

Concerning the hygienic conditions of the modern factory, it is interesting to quote from an article entitled "The factory as an element in civilization" the following statement from the late Hon. Carroll D. Wright, at one time United States Commissioner of Labor. Dr. Wright said:

> The regular order maintained in the factory cures this evil of the old system and enables the operative to know with reasonable certainty the wages he is to receive the next pay day. His life and habits become more orderly; and he finds, too, that, as he has left the closeness of his home shop for the usual clean and well-lighted factory, he imbibes more freely of the health-giving tonic of the atmosphere. It is commonly supposed that cotton factories are crowded with operatives. From the nature of things, the spinning and weaving room can not be crowded. The spinning mules, in their advancing and retreating locomotion, must have five or six times the space to work in that the actual bulk of the mechanism requires; and where the machinery stands, the operative can not. In the weaving rooms there can be no crowding of persons. During the agitation for factory legislation in the early part of the last century it was remarked before a committee of the House of Commons "that no part of a cotton mill is one-tenth as crowded, or the air in it one-tenth part as impure, as the House of Commons with a moderate attendance of members." This is true to-day. The poorest factory in this country is as good a place to breathe in as Representatives' Hall during sessions or the ordinary schoolroom. In this respect the new system of labor far surpasses the old.

In the above statement Dr. Wright told the exact truth. A careful investigation of the subject will disclose the remarkable fact that the laws of Massachusetts, which are, in many respects, the most advanced in the country, require in the public schools 300 cubic feet of air space per pupil, and ventilation furnishing 30 cubic feet of air per minute per pupil. On the other hand, the latest spinning mill built by the Arlington Mills gives 3,000 cubic feet of air space per operative, and the ventilating system furnishes 50 cubic feet of fresh air per minute per operative, the air being cooled in summer and warmed in winter. It will be observed that this mill furnishes 10 times the space and nearly double the amount of fresh air required by law for the public-school children of the State. A recent report of a State medical inspector of Massachusetts declared that it was a fact beyond question that the hygienic conditions in many Massachusetts mills are better than those in any schoolhouse in the State, and I venture the statement, without qualification, that the average cotton mill in New England furnishes more fresh air per individual, and of a better quality, than is supplied to the Senate Chamber of the United States. It is fashionable for the claim to be made that a textile mill is an unhealthy place for men and women to work in, while the fact is that many mills are more hygienic than the homes of some men who are indulging in criticism and denunciation of the textile situation in New England. A well-informed Massachusetts man recently said to me that there is no doubt in his mind that the healthiest place that the mill operatives are ever in are the mills themselves, and he ventured the suggestion that it would be well if the agitators took up the subject of improving the conditions outside of the mills, endeavoring to bring them somewhere near to the quality of those in the mills.

I assert, without fear of successful contradiction, that the hygienic conditions which prevail in the textile mills of New England are in marked and gratifying contrast with those

which prevail in the Bureau of Engraving and Printing, the Bureau of Pensions, the Census Office, and other places which might be cited in the city of Washington.

EXCESSIVE DEATH RATE OF CHILDREN.

My colleague also called attention to the fact that there is a very large death rate of children under 5 years of age in textile cities. That is undoubtedly true in some cases, but I can not see how the manufacturers can be held responsible for it. It is barely possible that the sanitation and water supply of these cities may have something to do with the high death rate; and, again, it is an undeniable fact that in these communities some of the working people themselves are largely responsible for the condition of health which prevails among the children. They are largely foreigners, coming recently from southern Europe, and bringing with them the insanitary and careless conditions that prevail in those countries. While they receive wages that would enable them to live comfortably, in some cases they herd together, eat poor food, and neglect all the laws of health, their sole purpose being to accumulate enough money to enable them to return to their own country and live in comparative luxury. Thousands of them accomplish this.

When the Balkan War broke out hundreds of Greeks in New England had no difficulty in drawing from the savings banks a sufficient amount of money to enable them to return to their native land and fight for their Government. The extent to which the laws of life and health are violated by some of these people is appalling, and certainly their employers ought not to be held responsible for that condition, the fact being that in many cases the mill owners are doing everything possible to mitigate such conditions. For instance, according to statistics furnished by the Manchester (N. H.) Daily Mirror, in that city, containing a population of about 75,000, a single corporation, the Amoskeag Manufacturing Co., a mill where strikes are unknown, employing 15,000 men and women, with a weekly pay roll of approximately $150,000, has established a playground for the children, supplies free physicians, dentists, and visiting nurses, has established lecture courses, is teaching them domestic science, and is giving free house lots for homes for operatives. In addition, it is in contemplation to build a clubhouse for the workers in that textile mill. The corporation has built many houses for which operatives pay a comparatively small rental, which houses are sanitary in every respect, many of them containing bathrooms and other modern improvements. The "reeking tenements" that my colleague talked about are not to be found in that city, certainly not unless the workingmen themselves choose to live in violation of the well-known laws of health, and I have found nothing to warrant the suggestion of my colleague that possibly New England would be better off if these industrial cities did not exist.

The charge that the women are sickly is equally wide of the mark, for no healthier or more robust women can be found anywhere than those that are employed in the textile mills of Manchester.

Mr. President, I am fortunate in having corroborative evidence of what I have said concerning the great textile city of Manchester. The Hon. EUGENE E. REED, Democratic Representative in Congress from the first New Hampshire district, and mayor of the city of Manchester for eight successive years, in an interview a few days ago, gave testimony as to the conditions in that city. Mr. REED, after disclaiming any purpose of entering into a personal controversy with my colleague, said:

> The queen city of Manchester is not a blot on the map, but is absolutely the reverse. It is the finest city of its class and character on the American Continent. There is no other manufacturing city with so many good homes as can be found in Manchester. Slum districts there are unknown. It is a home-owning and a home-loving city. There is not a manufacturing city in the country where the people are so well cared for and so contented as in Manchester, and where so much is done by their employers and the city itself to protect the health and prosperity of the employees. I do not know nor care what Senator HOLLIS may have said. I am speaking from my personal experience. I am a Manchester man, and am interested in every phase of its welfare, and shall give it my honest and conscientious service at all times. The conditions there in no way bear out the statements as quoted from the speech of Senator HOLLIS.

A STRIKING ILLUSTRATION.

As an illustration of the prosperous condition of the textile workers in Manchester may be cited the fact that the deposits in the savings banks of that city are $33,714,000, of which amount a careful estimate credits $9,873,450 to the working people. Those employed in the mills have also a large amount invested in building and loan associations, and according to the records in the office of the board of assessors, 773 employees of the Amoskeag Manufacturing Co. own real estate in the city assessed at more than $2,000,000. To illustrate the amicable relations existing between the corporation and their employees it is interesting to know that there has been organized among the workers in that great mill a textile club, which has for its general object the improvement of the relations between the operatives and the management. This club now has a membership of about 1,200 men and 400 women. It endeavors to promote in every legitimate way clean and healthy outdoor sports, and during the summer months has established a camp for boys, children's gardens, and has constructed the finest baseball park in any city of New England outside of Boston. It also has supervision of the children's playgrounds. It is intended that during the winter months stereopticon lectures and other instructive amusements will be provided for its members. It may be that my colleague wants to see that great mill put out of commission, but my impression is that sober second thought will lead him to a different conclusion.

MORTALITY IN NEW HAMPSHIRE CITIES.

It is especially interesting to note the fact that the general mortality for New Hampshire cities, which includes the mortality of children under 5 years of age, is favorable to the textile communities. As an illustration, Concord, the capital of the State, where my colleague and I both reside, a residence city with practically no manufacturing industries, had in 1910 a death rate of 21.6; and in 1911, 20.1; while Manchester, Nashua, Dover, and Laconia, all of which are textile cities, had death rates as follows: Manchester, 1910, 16.5; 1911, 18.2; Nashua, 1910, 17.7; 1911, 16.3; Dover, 1910, 17.8; 1911, 18.7; and Laconia, 1910, 18.3; 1911, 14.7; all considerably below the death rate of Concord. It will be observed that in some of these cities the average death rate has fallen, while in others it has risen; but no one of them shows as large a death rate as Concord, where manufacturing is almost entirely unknown. It is proper that I should say that the death rate of Concord is somewhat augmented by the abnormal death rate in one of the State institutions located in that city.

MORTALITY STATISTICS FOR MASSACHUSETTS.

Turning to the State of Massachusetts, which is the most distinctively textile State of New England or the Union, leading in both cotton and woolen manufactures, the following facts appear: The four chief textile manufacturing centers of this State are Fall River, Lowell, New Bedford, and Lawrence. These are all populous communities in which, as in other industrial centers of New England and the country, a large proportion of the people are of foreign birth.

It is true, of course, that the rate of mortality is greater in these densely inhabited cities than it is in most of the country towns and somewhat larger than the rate of mortality in the State at large, which was 15.42 per 1,000 in 1911. In that same year the death rate in the textile city of Fall River was 17.5 per 1,000, in the textile city of Lowell 17.7 per 1,000, in the textile city of New Bedford 17 per 1,000, and in the textile city of Lawrence, which has been pictured as a horrible example of destitution and suffering, the death rate was 16 per 1,000, only a fraction above the average death rate in the State. But in that same year, 1911, the death rate in the nontextile seaport of Boston was 17.1 per 1,000, and in the seaport of Salem 16.7 per 1,000. In Chelsea, a commercial city on the shore of Boston Harbor, the death rate was 19.3 in the same year, being 3.3 higher than the death rate in Lawrence. These figures compare densely populated textile communities with densely populated nontextile communities, and they go far to disprove the assertion that any particularly high mortality attaches to textile manufacturing. These are the records of the Forty-third Annual Report of the State Board of Health of Massachusetts, published in 1912.

TUBERCULOSIS.

If there is any malady that might be assumed to be peculiar to textile communities it is tuberculosis. But the mortality from this disease in the four chief textile centers of Massachusetts, taken as a whole, is lower than in the State at large. The sixty-first annual report of births, marriages, and deaths in Massachusetts states that the mortality from tuberculosis in the whole Commonwealth in the year 1910 was 1.3 per thousand, this figure including, of course, a very large number of agricultural, thinly populated towns. But in the same year the same authority states that the death rate from tuberculosis in Fall River, a textile city, was 1.3 per thousand, the same rate as in the State at large, while the tuberculosis death rate in New Bedford, Lowell, and Lawrence, all textile cities, was only 1.1 per thousand. In these textile centers a great majority of the working population are employed in the cotton and woolen mills, and it is a most remarkable fact, as shown by these official figures, that textile workers as a whole suffer less from tuberculosis than do the people of Massachusetts in general.

PNEUMONIA.

In an article from Collier's Weekly, which the Senator from South Carolina [Mr. SMITH] had read into the CONGRESSIONAL RECORD on Monday, August 25, the statement was made that in view of the conditions existing in the textile cities a high death rate resulted, especially in diseases such as pneumonia. It has been shown that the death rate from tuberculosis in the textile cities of Massachusetts is even less than the general death rate for the State. It will now be interesting to observe that the report of the Bureau of the Census for 1911 shows that the death rate from pneumonia in Massachusetts was 1.6 per thousand, while in Fall River the rate was 1.9, New Bedford 1.8, Lowell 1.4, Lawrence 1.9, Manchester 1.8, and Boston 2. From this it will be seen that in Lowell the death rate was lower than in the State at large, while all the textile cities mentioned had death rates from pneumonia below that of the nontextile city of Boston and but slightly above the rate for the entire State. This illustrates the loose and unwarranted methods that are being employed to bring opprobrium upon the textile cities and utterly refutes the statement in Collier's Weekly, quoted with such gusto by the Senator from South Carolina.

Since the city of Lawrence has been held up to particular opprobrium because of a recent violent strike there, inaugurated and fomented by those anarchistic agitators, the Industrial Workers of the World, it may be well to note that the death rate in Lawrence has steadily receded from 19.6 in 1905 to 17.7 in 1910 and to 16 in 1911. The records of vital statistics in Massachusetts are known to be kept with scrupulous care and go far more closely into detail than do the records even of neighboring New England States. These exact official facts, furnished year after year, utterly refute the contention of the political foes of New England textile manufacturing so far as the question of health is concerned.

In refutation of the doleful picture that my colleague painted of the conditions existing in the industrial cities of New England it is only necessary to quote a few figures. As has been said, the city of Lawrence is particularly held up to criticism and denunciation and the effort is made to prove that the laboring people of that city are oppressed beyond the point of endurance. To a question addressed to Hon. Michael A. Scanlon, Democratic mayor of Lawrence, under date of August 14, the following reply was received:

The population of Lawrence, according to the 1910 census, was 85,892.

There is about $22,000,000 deposited in three savings banks and in the savings departments of three trust companies. Nearly all of this amount is the property of working people in Lawrence and its suburbs. Very few people other than working people in Lawrence or its suburbs deposit in savings banks, because the amount of a deposit is limited to $1,000 and its accumulations up to $1,600. Those having larger amounts usually invest in securities where they can get a larger return, the savings banks paying 4 per cent, and consequently nearly all the money in savings banks in Lawrence is the property of working people.

Lawrence has a valuation of $78,755,253. Of this amount $37,524,900 is real estate owned by residents. The remainder represents the holdings of large mill corporations, nonresidents, etc., with the exception of $10,025,325 in personal property owned by residents. The greater part of this $47,000,000 real and personal property is owned by working people.

Now, let us look at certain other Massachusetts cities. The city of New Bedford, long one of the great industrial cities of Massachusetts, with a population of 96,000, has $28,382,945 deposited in savings banks, almost wholly the accumulation of the people who work in the mills and factories of that city.

One of the most striking illustrations of the prosperity of a New England industrial city is furnished in the case of Worcester, Mass., a city of 146,000. The deposits in the savings banks within that city amount to $70,000,000, and outside of the city there are deposited $40,000,000 by the people of Worcester, making a total of $110,000,000. In cooperative banks and loan associations $4,000,000 are deposited. I am reliably informed that most of this money belongs to the working people of Worcester. Under the laws of Massachusetts no one person can deposit in the savings banks more than $1,000, which can not be increased above $1,600 by the addition of dividends. It is also estimated that the working people have invested in real estate and first mortgages, in and out of the city, approximately $90,000,000, which, so far as can be ascertained, makes the working people of Worcester the richest working people per capita on the face of the earth, amounting to $1,400 for every man, woman, and child. All of this money, with the exception of some $40,000,000, has been accumulated within the last 20 years. Worcester is a city of varying industries, almost every possible species of manufacturing being found there, including textiles to a large extent. It does not require any stretch of the imagination to conclude that if under the operations of the pending bill these industries are halted the working people will suffer a tremendous loss, and beyond a doubt will be compelled to withdraw more or less of their deposits from the savings banks and use them to secure the necessaries of life. Does any man in public life seriously want to halt the prosperity of these textile cities? Time will tell.

A COMPARISON.

Mr. President, Robert Burns was a philosopher as well as a poet. It will be remembered that on a certain memorable occasion he was moved to write the stanza:

Oh, wad some power the giftie gie us
To see oursel's as ithers see us!
It wad frae monie a blunder free us
An' foolish notion.

If our Democratic friends had only had the gift to see themselves as the country is now seeing them and the wisdom to appreciate the fact that the legislation they are engaged in will of necessity do harm to all classes of our people, the bill now under consideration would never have been prepared.

It will be recalled that Gen. Grant is credited with the wise remark that "You can always trust the Democratic Party to make a mistake at the right time," and what is occurring today is a fresh illustration of the correctness of Gen. Grant's observation. It is a monumental blunder, the magnitude of which can not be overestimated.

It can well be imagined how, when the crash comes and the people of the country have risen in their might to overthrow the Democratic Party because of this legislation, the Senator from North Carolina [Mr. SIMMONS], the Senator from Mississippi [Mr. WILLIAMS], the Senator from Missouri [Mr. STONE], the Senator from New Hampshire [Mr. HOLLIS], and their associates on the Democratic side of this Chamber will see the unwisdom of what they are now doing; but in view of the circumstance that they will be responsible for the destruction of American industries and the lessening of the demand for American labor, they will find little comfort in contemplating the fact that the result was due to their party's political blindness and folly.

Mr. President, it is a matter of regret to me that I have felt compelled to detain the Senate for so long a time in the discussion of this question, but it has seemed necessary for a proper understanding of the situation that certain facts should be frankly and fairly placed before the American Congress and the American people. I am not an alarmist in any sense of the word, but I can not bring my mind to any other conclusion than that the contemplated legislation will inevitably bring disaster to the industries of the entire country, and especially to those of New England, with suffering and sorrow as a necessary result, and I would be doing myself an injustice did I not sound a warning note. But, Mr. President, the die is cast. A Democratic President, a Democratic Congress, and a Democratic caucus have ordained that the bill shall become a law, and while it does not represent the honest convictions of a majority of the American people, it is to be forced upon the country by the representatives of a political party that has always stood in opposition to the protective doctrines of the Republican Party. The triumph will be complete, but it will be short lived, and those of us who contemplate with solicitude the result of the legislation can find satisfaction and comfort in the belief that the Government will soon again be placed in the hands of the party of protection, and that this statute will in due time be superseded by a law that will adequately protect our people from the cheap labor of European and Asiatic countries.

Mr. HOLLIS. Mr. President, I confess that I have always admired the speech that my colleague [Mr. GALLINGER] has favored us with to-day. It has the flavor of childhood associations, the taste of "the old oaken bucket," and the fragrance of "the last rose of summer." One thing only is lacking, and that is the waving of "the bloody shirt." When I first heard that speech I was a small boy in knickerbockers, and "the bloody shirt" was the most important thing in it, but it then, as now, bristled with figures, savings-banks deposits, statistics of population, and all sorts of things that sounded good. It had the smell of the flesh pots about it and the glitter of coin and benevolence and prosperity, and the poor workingman who sat there and heard it, thinking of the 10 children he had to support on a dollar a day, went home to wind up his alarm clock and think how happy he was to live under such a Government.

This has all been thrashed out, Mr. President, in the State of New Hampshire. My distinguished colleague has not been there on the stump very much of recent years. Perhaps he did not represent exactly what the managers of the Republican Party have represented in the last few years, for Mr. Winston Churchill and Gov. Robert Bass have managed the Republican

Party for some time now. And if this speech was heard at all on the stump when they controlled the reins of the Republican Party it was heard in some populous center like Swanzey, Crawfords Notch, or Harts Location. But if it was made, Mr. President, I assure you it rang with all the benevolence, patriotism, and protection that it has rung with here to-day.

I said nothing in my speech the other day about the city of Manchester. I did not mention it, but immediately my friends, the Republicans, get up and say, "HOLLIS is abusing Manchester again." I do not dare to abuse Manchester very much because I have to go through it when I go to my own home, and during my last campaign I was notified by telephone that if I made another speech in Manchester I should be arrested. I do not know whether my prerogative as a Senator would save me from that, but I am afraid I might be arrested just as they arrested the workingmen who were not permitted to hold a meeting to see whether or not they would strike.

My distinguished colleague and his friends are very glad to say on all occasions that I am the defender of Mr. Ettor and Mr. Haywood. Mr. President, I have never defended them for one single moment in all my life. I have merely said that their opponents, the cotton-mill managers, were just as bad as they were, and sometimes even worse.

But this Manchester issue has come up. The Senator, I am sure, does not expect to be returned to the Senate. In what he said to-day I can read his conviction that he can not be, because he is beginning to abuse his own home city and say that they have there a higher death rate than they have in the mill towns of Massachusetts. No man can afford to do that. A man must stand by his home town, and I am going to stand by mine.

The figures furnished the distinguished Senator came from a man named Topping, who is a newspaper correspondent, and who wrote the article in the Mirror from which the Senator read. The article was sent to the Senator, and I was notified of the fact. I have investigated the death rate of the city of Concord, and I find that in our insane asylum, where they bring practically all of the insane in the State, there are 140 deaths a year, and Mr. Topping made up his death rate by including all those insane persons. The latest available report of the city of Concord gives the death rate, excluding the insane patients who came from elsewhere, at only 15.45 per thousand—away below the death rate of Manchester and the other mill cities.

I did not suggest that Manchester or Lawrence or any other city had a large death rate, Mr. President. I merely called attention to the undoubted fact that the death rate among children 5 years old and under is greater in the mill cities of New England than anywhere else in the country, and that, too, in a most salubrious climate. My distinguished colleague does not deny that; he can not deny it; the figures show it. I threw that much out for what it was worth; but I see I am obliged to follow it up in order to maintain myself.

For some reason the attention of the Government has been called to the mill cities of New England, and they have had for several years a man up there investigating. That man is a graduate of Harvard College and of the Harvard Medical School, and he is an expert. He has made a report in which he says:

> Cotton-mill work was selected for special investigation because it employs a larger number of women and children than any other industry, because it exhibits a deplorably high female death rate, and because it, more frequently perhaps than any other large industry, subjects its workers to inhalation of irritant vegetable dust, which in the underfed and overworked is especially conducive to bronchitic, asthmatic, and tuberculously infectious pulmonary diseases.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from New Hampshire yield to his colleague?

Mr. HOLLIS. I yield.

Mr. GALLINGER. I do not wish to disturb my colleague. He always interests me. But my colleague will note the fact that the general death rate includes the death rate of children under 5 years of age; yet the textile city of Lawrence, Mass., so much berated, has a death rate of only 16, including children under 5 years of age, while the city of Concord, the home town of my colleague and myself, where people go to educate their children, excluding the institution to which both my colleague and I called attention, has a death rate of 15 and a fraction, almost as much as Lawrence, and applying the average death rate to the State institution the rate will be greater than Lawrence.

Mr. HOLLIS. I shall not argue on what I may have to think up on the spur of the moment, but I shall continue to read from this Government report, which no one will attack as being incorrect.

Dr. Perry says:

> II. In the age groups within which operatives and nonoperatives are fairly comparable, female operatives have a decidedly higher death rate than nonoperatives. This is most marked in respect to tuberculosis, the death rate of female operatives from this cause being, in general, more than twice that of nonoperatives, and in some of the race and age groups running up to many times as high. Thus, in the age groups 15 to 24 years, 25 to 34 years, and 35 to 44 years the death rates from tuberculosis per 1,000 were, respectively, two and one-fourth times, two and one-half times, and five times those among women of the same age groups outside the cotton industry.
>
> III. An examination of different factors which might affect the death rate, especially from tuberculosis, such as native or foreign birth, tuberculous kindred or intimates, overcrowding, sanitary condition of homes, etc., fails to show any such massing of unfortunate conditions among the female operatives as would explain their unvaryingly higher death rate.
>
> Hence it seems impossible to escape the conclusion that operative work is prejudicial to the health of females, that the combination of operative work with matrimony is especially harmful, and that, while the general hazard of the female operative is greater than that of the nonoperative, she is in most danger from tuberculosis. Whether the harmful effects of operative work are greater than those of other industrial employments, and whether they inhere in cotton textile work as a whole or are due to certain occupations carried on within the mills, are questions for further investigations to answer. This has established the fact of the high mortality among female cotton operatives and of their special susceptibility to tuberculosis.

Mr. President, the Amoskeag Manufacturing Co. has been injected into this debate, but not by me; and I wish to say a little more about that delightful institution.

In the first place, it seems that they have established a school to teach cooking; and I think it is very necessary when they pay, on the average, only seven or eight dollars a week. If I had to support a family on that wage, I should certainly want to know all that science could teach me.

The Amoskeag Manufacturing Co. is very clever. It makes large dividends, it pays low wages, and it is a good advertiser. The playground that my benevolent colleague speaks so carefully about is stuck right down beside the Boston & Maine Railroad, where everyone can see it, with a big sign upon it, saying "Amoskeag Manufacturing Company Playground." I have been past the playground hundreds of times, and I have never seen more than 10 little children in there at a time. They have bought a baseball park, and they advertise in other ways. They have a hospital, but instead of having it in a healthy spot, they have put it right beside the railroad, with a sign upon it, so that people can see it. And so they spend a small fraction of 1 per cent to advertise their benevolence to the State of New Hampshire, while the Government of the United States has spent over $150,000 to educate my distinguished colleague in the Senate so that he can get up and promote that gospel.

Now, coming to the Amoskeag Manufacturing Co. and its sanitary adjuncts, about which the Senator has told us, this article appeared in the Manchester Mirror, the one from which my colleague has read, and it aroused the ire of certain good people in Manchester. One of them, Dr. Noel E. Guillet, a very prominent physician in Manchester, wrote a letter, which was printed, in reply. He speaks of his own knowledge. He says:

> The Mirror does not criticize Senator HOLLIS's speech from a tariff point of view, but tries, for political capital, to show, by all kinds of misrepresentations, that Senator HOLLIS has insulted the working people, and when the Mirror attempts to do that it is losing its pains and its ink, because all classes of working people know well, by long years of experience, that Senator HOLLIS is among the best champions of their cause.

Now, how utterly silly it would be for me to take the attitude of insulting the working people of Manchester, when they are the very people who have always supported me and who have always voted for me and on whose support I depend. Far from insulting them, I should like to see them get the wages that the rest of the people of the United States turn over in the price of cotton cloth, so that they may go to these workingmen.

Dr. Guillet continues:

> Now, Mr. Editor, I wish the Mirror would send the reporter—

That is our friend Topping, who was the private secretary of Congressman Sulloway until Congressman Sulloway was defeated in the last campaign—

> Now, Mr. Editor, I wish the Mirror would send the reporter who visited that boarding house, so immaculately kept, with a menu that would do honor to the Copley Square, of Boston, and all that for $3 per week, a little farther north to those corporation buildings owned by the Amoskeag, right next to Elm Street, between Bridge and Dean. There he would find not one but a hundred tenements, one and a half story, old wooden shanties, with plumbing unknown to them, no modern service, but common, old-time vaults.
>
> If the gentleman from the Mirror would take a trip around those vaults on a hot summer day with his olfactory appendage wide open, he would see and his nose would tell him that he himself has insulted the common people by his sarcastic article, and that the articles printed in the Mirror July 21 and 22, 1900, during the house-to-house inspection would be more appropriate.
>
> There are one or two hundred more Amoskeag tenements connected with water-closets in unheated sheds. In cold days the water freezes, thereby becoming a nuisance a great part of the winter. That such a

condition should exist in the thickest portion of our city for over 40 years is doubtless because the owner, a powerful corporation, has a strong hold on our local board of health as well as on other boards.

I believe, Mr. Editor, that to find the real condition that exists among our laboring people one should not go only to the corporation counting room and the banking counter, but take the pains to visit the county commissioner, the overseer of the poor, the hospital wards, look into the grocer's and doctor's books, and perhaps also into the books of some of these prosperous merchants.

For several years I have been employed by the State of New Hampshire, under a Republican administration, to prosecute these mills for violating the law. Why they came to me, a Democrat, I do not care to state. It may not be because they could not find a Republican lawyer who dared to attack these great corporations, but it has been my business to do the work. I have had detectives in the mills. I have had hundreds of pictures of little children at work in the mills, doing a man's work, below the legal age. I have prosecuted them in the courts, and I have had the various experiences that I described in my speech the other day. I repeat that I do not want any harm to come to these corporations; but I still say that there is no reason why they should have any special favors at the hands of the Democratic Party.

Mr. President, in this speech, which I have always admired, as I admit, which has so much that it is pleasant to hear, my genial colleague always goes back to the time of Washington and Madison. He then comes down, and wherever there are hard times he shows that either before or after them we have had a Democratic tariff bill. I am glad to say that the Democratic Party has been in power so much in this country that it is very difficult to get far away from the time when it was in power. But Washington, Madison, and Monroe would look with amazement at a bill such as this, which carries as high an average rate as 26.67 per cent. That is a high rate—higher than those gentlemen ever saw or ever contemplated.

My colleague says that under the Walker tariff they did not raise enough revenue, and therefore they could not pay their bills. That is no reflection on the theory of the revenue tariff. If you do not get your rates high enough, you can not raise enough revenue; and the Democratic administration, even before President Buchanan left his seat, had corrected that error in the computation.

President Wilson's words, so eloquent and so true, and read with so much gusto by my distinguished friend, were uttered of the period in 1893, one year before the Wilson tariff bill was passed. My colleague knows that well, but he always forgets to state it.

My colleague finds fault with me because I say that New Hampshire bids me speak for her. This matter has all been thrashed out on the stump in New Hampshire. True, we have not heard my genial colleague as many times lately as we should have liked to hear him, but we know just what he would say if he were talking. If he had been on the stump, he would have known that I have been for the last four campaigns denouncing the protective tariff as a fraud and a delusion; that I have been denouncing the manufacturers who steal the wages that are contributed for the workingmen in the mills, and it is on that issue that I was elected.

I was not elected by any combination of Democrats with Bull Moosers. Not a single Bull Mooser voted for me. I was elected by some 204 Democrats plus about 8 Republicans, and they voted for me because they believed in the principles for which I stood.

The good Senator, so far as I know, has never gone to the people in New Hampshire since he was elected to Congress, away back before I left school. I hope he will run again during the next campaign; and if so, we can find out whether his premises are true and whether mine are wrong.

But I wish to call the attention of the Senator, when he says we are a minority party, to the fact that it was this very high protective tariff that divided the Senators who sit on the other side. That was where the great debate was, in 1909, between men like Senator Dolliver, Senator LA FOLLETTE, and Senator BRISTOW on the other side and the standpatters on the same side. It was the high protective tariff that they say they stand for to-day that split their party hopelessly so recently in the past.

In making his speech my colleague has always referred in glowing terms to the savings-banks deposits, thereby arguing that American wages are high. To-day he cites Manchester, with its 70,000 people, with deposits in the savings banks belonging to the working people of $13,000,000. Our little city of Concord has only 20,000 people. It has practically no manufacturing. Yet in a single savings bank we have assets of almost $12,000,000—almost as much as the working people have in all the banks of a city three and a half times as large.

I shall not take up the time of the Senate further on this part of the debate. It has been gone over and over and over. The people of New Hampshire knew the fight was pending. They knew what the issue was. I did not sneak into the Senate by stealth. I did not come in on a midnight assault. I came in in broad daylight, at high noon, on the arm of my distinguished colleague, at the end of a long and bitter senatorial fight, with flags flying and drums beating. I had declared my ideas of the tariff to the people of New Hampshire, and I was constantly misrepresented by the papers.

My colleague has claimed that I stated that I believed the Amoskeag Manufacturing Co. should be demolished—"Amoskeaga est delenda." Mr. President, I have never made any such statement. I would be foolish to make the statement. I have hoped and prayed over the poor sinner, hoping that it might reform and give to the working people some of the benevolence which it arrogates to itself.

No, Mr. President; the issue was squarely drawn, and the best answer to the speech delivered here to-day by my honorable colleague is my very presence in the Senate of the United States.

Mr. GALLINGER. Mr. President, I have been charmed while listening to this "impromptu" speech that my colleague, to my knowledge, has been working over for four or five days.

I need not even refer to the suggestion that my colleague has made, of a rather offensive nature, concerning my future participation in the political campaigns in New Hampshire. My attitude on public questions has been well known at home and is well known here. I never have had occasion to apologize for what I have believed or for what I have said, and I do not propose to do so now.

My colleague's suggestion that I have put myself in an attitude where, of course, I will not dare to run for another term in the Senate is gratuitous. He has no authority whatever for saying that. As I said the other day, I will go out of the Senate voluntarily, if I conclude to go in that way, or my people may put me out if they think it wise to do so; but I will not go out because of any suggestion from any Democrat in the State. On the contrary, I shall be in the hands of my political friends, with whom I have labored, for good or for bad, lo! these many years.

Mr. President, I am not going to continue this debate, because I know we ought to take up the items not yet agreed upon in the tariff bill. The figures I have given in reference to the death rate can be verified by an examination of the census reports on mortality statistics. My colleague repeats the assertion that there is an unusually high death rate from tuberculosis among the women in the mills. Yet that is not reflected in the general death rate as we find it recorded in the official figures to which I have called the attention of the Senate. If there is an abnormally high death rate among the women, there must be an unusually low death rate among the men and children; so we will let that go for what it is worth.

I do not care to enter into a discussion as to how my colleague got into the Senate. He is a good fighter. He was a Democrat—and an aggressive, militant Democrat—when the Democratic Party was hopelessly in the minority in New Hampshire. He carried the banner down to defeat time after time, and finally he achieved victory by the aid of some Republicans in the legislature—men elected on the Republican ticket. I do not know whether they have all had their reward as yet. I know some of them have had their reward.

Mr. President, we will let this matter go as it is. If what I have said is not worthy the attention of the Senate or the country, the Senate and the country will judge of it. If it is ancient history, I will merely suggest that it is wise for us sometimes to turn back the pages and glean lessons from the past. What I have said I have said from the book, and it can not be gainsaid. It will stand in the records of the Government as a contribution to this discussion, which will be helpful or harmful according as the people look at it.

Mr. President, my future, so far as politics is concerned, is of very little account. I am concerned for my State more than for myself, and I now give notice to my amiable and militant Democratic colleague that in the next political campaign, if I am alive, we will fight this out before the people of New Hampshire, whether I am a candidate for reelection or not, and the result will determine whether I speak wisely and truthfully to-day or whether my colleague speaks words of truth and wisdom.

Mr. THOMPSON. Mr. President, as I proceed with my remarks I prefer not to be interrupted. When I have concluded, if any Senator desires to ask any question I will take pleasure in answering it.

It is not my purpose, Mr. President, to discuss in detail the various schedules of the tariff bill or any one schedule in particular. I simply desire to discuss in a general way the tariff question as presented by the bill under consideration in order that my vote may be fully understood.

My views on this question have, perhaps, been more often misrepresented by the opposition press of my State than those of any other Senator. The Republican and Progressive papers, without the slightest foundation or authority, were quick to assume and boldly announce to the public that because I reside at Garden City, where we have the only sugar refinery in the State, I would vote against the clause in the bill providing for free sugar after three years, and would eventually vote against the entire bill if it included this provision. The Republican press seem unable to get over the idea that every Senator must be guided only by local conditions.

These misrepresentations were so general that my constituents became somewhat alarmed as to my position and, contrary to my usual custom, I felt it necessary to give the following statement to the press:

> False statements, having no foundation whatever, are being published to the effect that I expect to vote against the Underwood bill because of the sugar schedule.
>
> I have never intimated to anyone that I would vote against the bill, and have never had any such intention. There is no substantial difference between President Wilson and myself on the tariff, and certainly not enough difference on any schedule to justify any person in the belief that I would vote against the bill. The questions presented are national—not local—and will be so regarded by me.
>
> There is so much good and so little bad in the bill that I do not believe any Democrat would be justified in voting against it, simply because it may not meet his personal views or the wishes of his immediate constituency in a few schedules.

I have always stood for a material reduction of the tariff, on sugar as well as all other necessaries of life, and I favor free sugar when it can be obtained without serious injury to the industry and the price of sugar to the consumer can be lowered thereby.

I am not influenced simply by what is best for the people and the industry at my home city and county, but by what is best for the industry and the people generally throughout the United States. The only difference between President Wilson and myself on this question arose simply over the consideration of the length of time a satisfactory condition can be brought about considering the welfare of the industry as well as the benefits to the people as a whole to be derived from ultimate free sugar.

To meet my views I introduced in the Democratic conference an amendment to the sugar clause proposing to adopt the sliding scale of the pending bill up to 1916, and thereafter to reduce the duty 25 per cent each year until free trade in sugar was reached.

The reason for the misrepresentations on the part of the press and the erroneous impression received therefrom by the public was, no doubt, because of the way tariff bills have heretofore been drafted. The tariff question has formerly been regarded by most people as merely a "local issue" and not of national character or importance. While all of the property I have in the world, and the best friends I have on earth are located in the sugar section of my State, and many of my close personal friends are engaged or interested in this particular business, yet I must, in the performance of my official duty, consider the question from a State-wide and Nation-wide standpoint. I must, as a Senator, disregard my personal interest and the wishes of my personal friends where they conflict with the public interest. The question is, Will free sugar eventually be of benefit or of injury to the majority of the people of my State and of the Nation? It is admitted by the opposition that free sugar will necessarily lower the price of sugar to the consumer.

There are not more than 1,000 people in Kansas directly interested in the raising of sugar beets or interested in the refining of sugar, while, on the other hand, there are about 1,700,000 people who have no interest whatever in the business and who must purchase sugar.

The present tariff rate on sugar is about 33 per cent of its value, or practically one-fourth of the retail cost is made up by the tariff. It is estimated that every person in the United States consumes about 80 pounds of sugar per year. The average price of sugar is about 5 cents per pound, making the total cost to each person about $4 a year. The people of Kansas pay out about $6,800,000 for sugar under the present tariff and prices each year. Free sugar would therefore result in a saving to the people of my State in one year of about one-fourth of this amount, or $1,700,000, which would be a saving of more than the entire cost of the Garden City factory to the whole people of the State each and every year.

This is the first tariff bill drafted since the Civil War which has disregarded the local-interest proposition. While it has been charged that the bill has been drafted in the interest of the southern people and of the eastern manufacturer, yet a close inspection of the bill, with full information as to how bills of this character must necessarily be drawn, will convince any reasonable person that there is no truth in this charge. The main idea throughout the bill has been to place the necessaries of life on the free list, regardless of where they are raised or produced, in order to secure the greatest benefits for all the people and to reduce the high cost of living, which has reached the highest point ever known in the history of this country.

Too often heretofore in the framing of tariff bills those favoring a tariff on wool traded their influence and votes to those favoring a tariff on cotton or some other article, and those favoring a tariff on sugar traded their influence and votes to those favoring a tariff on agricultural products or some other article. In other words, it was simply a case of "you scratch my back and will scratch yours."

There was no real principle involved. All had the idea of protection, with a selfish motive on the part of each individual and the thought that everything was all right if each contending party received his share. We have now drawn a tariff bill where there has been no swapping of votes or interests and where no particular person or section sought to secure any advantage over any other. The Democratic Party has at last become great enough so that it can declare to the world that the tariff question is no longer merely a local issue, but that it is national in character and is simply a means to assist in raising revenue and is only tolerated for that necessary purpose.

We are fast discarding the idea that the Government must engage in commercialism or there will be no business in the country. It is no longer the business of the Government to undertake to see that certain classes of people are successful in business enterprises. It is no concern of the Government if these classes can not make a profit by the merits of their own goods and the economy in their production. Commercialism is no longer a legitimate governmental function.

The only legitimate function of government is to insure equal privileges and opportunities for all in the business world and to preserve peace and happiness to all its citizens.

There was a time when it was generally understood that the tariff tax was absolutely necessary in order for business enterprise to succeed. But the sentiment and information of the people have changed in this respect. For 50 years the Democrats have advocated that the tariff is a tax which the consumers pay and that the schedules are outrageously high. The Republicans all these years denied this doctrine. They now frankly admit that they were wrong, but insist on making the revision of the tariff themselves.

This is like a man pleading guilty to a crime and then asking to pass sentence upon himself.

Knowing the kind of a tariff law PAYNE and Aldrich gave the country, it would certainly be a dangerous and expensive experiment to permit the Republicans to revise it. Ex-President Taft pronounced the Payne-Aldrich bill the best tariff bill ever enacted, although he at first expressed dissatisfaction with the measure. Speaker CLARK pronounced it the worst tariff bill ever passed, because it is the highest. In his speeches, to illustrate this point, he told the following story:

> Out in Montana in the early days they lynched a horse thief; on his back they pinned a paper; on the paper they wrote these words: "This man was a very bad man in some respects, but a d—— sight worse in others."

This is exactly the trouble with the Payne-Aldrich tariff. While the pending bill may not fully meet the views of the progressive Republicans—if I may so refer to that branch of the Republican Party which believes in the reduction of the tariff—yet, as between the rates of the pending bill and the Payne-Aldrich bill, it seems to me they will have a hard time explaining to the people of the country if they fail to vote to put into law the pending bill in preference to continuing in force the iniquitous Payne-Aldrich law. It would seem that anyone honestly desiring and advocating a downward revision of the tariff would certainly be in favor of voting for a bill which everyone admits greatly reduces the rates. It would seem that they would gladly accept the pending bill, although not perfect, rather than to tolerate the evils of the present law and inflict the burdens thereof upon the people of this country for any longer period than absolutely necessary.

It would seem also that the income-tax feature of the bill, which most progressive Republicans claim to favor, would especially appeal to them. A vote against this bill will be a vote

against the income tax. For more than 20 years the Democratic Party has advocated the income tax. About 20 years ago a Democratic Congress passed an income-tax law, which, after much litigation and various changing and shifting of views, was finally declared unconstitutional by the Supreme Court of the United States. It is certainly fitting that after so long a time the Democrats are again offered the opportunity of presenting to the country an income-tax law which is now fully fortified by the Constitution against judicial destruction. It has taken all these years since that time to secure a constitutional amendment which would permit the levying of an income tax under the views expressed by the Supreme Court. This certainly demonstrates the need of a shorter method and manner for changing the Constitution. This was one of the reasons why I introduced at this session a resolution providing for the amendment of the Constitution whenever a majority of both Houses deem it necessary and when ratified by a majority of the several States.

No better way for raising revenue for the Government can be devised than from the income of the citizens who by enjoying the protection of the laws of the country are enabled to acquire sufficient property, above a living, on which to make a levy. The greatest trouble with taxation has been in the fact that men of small property often pay the highest taxes in proportion to what they possess. By the present system of taxation the man with a large amount of property has been enabled to cover up much of his taxable property, while the man of limited means is unable to do so. No citizen should object to paying this kind of a tax. Every citizen should be happy to have an income sufficient to require him to pay it.

This new system of taxation will shift the burden from the financially weak to the financially strong. Taxation in this manner upon those who are able to pay it ceases to be a burden. They can carry it so easily that it is not felt. A pound is a burden for a sick man to carry. A dollar is a burden for the poor to pay. But what is a dollar to the rich or a pound to the physically strong?

When the income tax is firmly established as a permanent law of this country it should be greatly improved and the amounts collected thereunder increased until most of the revenues of the country may be derived from this source. This will in itself solve all tariff difficulties.

The Nation's greatest need, summed up in the language of Secretary Bryan, is:

> The protection of the people from exploitation at the hands of predatory corporations.

This he explains to mean:

> It touches the average man, it touches the public in three ways:
> The tariff, the trusts, and the railroad question.
> High tariff laws are a burden to the masses of the people for the benefit of the protected industries. Through high tariff rates enormous sums are extracted from the pockets of the producers of wealth and turned over to the beneficiaries of the protective system.
> The trust question is the natural outgrowth of the tariff. Corporations combine and take advantage of the protection given by high tariff laws.

The Democratic Party offers a solution of these questions in the interest of the people as against the trusts and monopolies which have grown up under Republican rule, fast reducing the people to poverty, and threatening the very life of the Nation itself.

The homes, the farms, the workshops, and the free public schools are the great pillars in the temple of American liberty and progress, and labor is the corner stone of the entire structure. A system of what might be called legalized robbery, through the iniquitous tariff and special-privilege legislation, has gradually grown up under continuous Republican rule, until many of the necessaries of life have gone beyond the financial reach of the man with average means. It has reached the point where many laboring men are unable to pay either the groceryman, the clothier, or his landlord without living half starved, half clothed, and half housed. The Republicans have always pretended to be the special friends of the laboring man, especially just before an election. Their wild effort to make the laboring man imagine that he has money in his pocket and diamonds in his shirt front, when he is compelled to wear overalls and go without a shirt, is ridiculous.

If the laboring men had been protected as the Republicans have promised, they would all be millionaires and need no protection.

We are also asked by Republicans to favor their high-protection scheme in order to promote "prosperity," forgetting and wanting others to forget that during President Roosevelt's administration, in 1907, we suffered one of the worst financial panics in the history of the country, when we could not even draw the little savings we had in the banks and were compelled to pay our debts with wrapping paper, shoestrings, chips, and whetstones. This panic occurred under the hight-tariff system. The effects of this panic are still felt in the business world. But the Republicans are long on howling prosperity and giving us poverty. They have won more campaigns on this false issue than anything else in the last 25 years. They are still continuing to howl it in every speech they make upon the tariff. They are using every possible effort to keep alive this old, dead issue.

The people have ceased to be disturbed by calamity howlers. They have emphatically expressed a desire to be relieved from the burdens heaped upon them by Republican rule. They have tried the Republican ideas of the tariff for half a century and are glad to have the opportunity for a change.

A great political revolution has swept over the country in the last few years. The first change was in the election of 1910, when the Republican majority of 47 in the House of Representatives was turned into a Democratic majority of 66. It was the record that the Democrats made in the Sixty-first Congress that elected the Democratic House. It was their record which also elected at that time 7 Democratic United States Senators to take the place of Republicans and 6 Democratic governors to take the place of Republican governors.

The Democrats got together and stayed together, and their example at that time has been extended to Democracy everywhere, and through this united effort great things have been accomplished. The Democrats are together now on the passage of this tariff bill and expect to remain so until it is a law upon the statute books. They have not been coerced by the President, as has been so frequently charged, by the use of patronage or by any other means. The question of patronage has never been mentioned by the President in connection with the vote of any Member of Congress on the tariff bill. No patronage has ever been given or withheld by the President because of the position of any Congressman upon any public question. Such charges by the opposition have not the slightest foundation and can not be substantiated. Such expressions come from the wildest imagination of the opposition and without the slightest reason. No President has ever been freer from such abuse of power. The President's purposes are too lofty and pure for him to even waste thought on such paltry motives. It is true that the President, like every other patriotic citizen—and especially when charged with this specific duty—has insisted on the passage of this bill. A large majority of the people of the Nation are insisting upon the same thing. The sentiment is universal throughout the land. It has become crystallized. The people as a whole want the bill passed, and passed as speedily as possible. The Democratic Party having been intrusted by the people to perform this service for them are united in a patriotic effort to accomplish this purpose. This is the secret of the united Democracy. We know if we fail to carry out this obligation to the people, as the Republican Party failed to carry out its obligation to them four years ago, we will receive the same rebuke from the people at the polls as the Republican Party received at the last election.

What were the causes of this great political revolution?

They are not difficult to discover. They can be expressed in a few words.

The Republicans promised to revise the tariff downward, and when they got into power on that simple promise they revised it upward.

For this the people of the United States punished them at the polls in 1910, and more than doubled the dose again in 1912. Men running for office should say what they mean and mean what they say, and when they have been successful they ought punctually and scrupulously to carry out their promises. The people deserve to be treated fairly and honestly. This is exactly what the Democrats propose to do now. This is why they are a united body in the Senate and House to-day.

While the Republicans in 1908 did not specifically say that they would revise the tariff downward, they did say that they would "revise" the tariff, and it was understood by everyone that this of course meant downward. Those in charge of writing the platform did not want to say that they would revise it downward, because they did not intend to do so. They intended to revise it upward, but the people understood it to mean downward, and a great many Republicans understood it the same way; and before the end of the campaign the Republicans on the stump were everywhere so declaring. So I am justified in saying that they made that promise, and that on that promise they got into power, and that without the promise they could not have won the election. Being drunk with victory, they revised the tariff upward; and now, knowing what happened to them for this betrayal of the people, they are trying

to compel the Democrats to do the same thing. Anybody can easily understand why they want us to make the same mistake.

They had about a dozen mathematicians or experts to figure the rates of the Aldrich bill, and who actually claimed that there was the enormous reduction of one-tenth of 1 per cent. But the Democratic mathematicians or experts figured that there was an increase of 1.07 per cent, and the Treasury Department accepted the Democratic figures, and the people of the country did also. The people have grown tired of broken pledges and promises, and will punish by defeat that political party which tolerates it. The time has passed when any political party can promise one thing and then do another.

Some of our Republican friends charge that the Democrats want to destroy business. This is a preposterous proposition and a thing incredible. This is a Democratic country as well as a Republican country. The Democrats are engaged in business as well as the Republicans, and want to succeed financially the same as the Republicans. It is to better business conditions and not to injure them which the Democrats hope and expect from this tariff legislation. It is the purpose of the Democratic Party to pass such laws as will give every man engaged in a legitimate business an equal chance with every other man. We believe with Thomas Jefferson in equal and exact justice to all men, and in equal rights to all and special privileges to none; and we are not going to be driven from this position.

Under the present tariff system almost every manufactured article made in the United States is sold in a foreign country cheaper than it is sold to us at home. This is un-Democratic and un-American. The Republicans formerly denied this proposition, but finally their leaders were compelled to admit it.

Kansas is one of the leading wheat-producing States in the Union. We produced last year 91,450,000 bushels; and, regardless of the drought this year and the exaggerated statements of the eastern newspapers, the crop report of the United States, issued August 8, gave the winter-wheat crop of Kansas this year at 86,515,000 bushels. This is about 50 per cent more winter wheat than was raised in any other State shown by this report, although from the reports in the eastern newspapers it would seem that in Kansas "the sky was brass and the earth iron" and that there is no Kansas crop this year.

This year's crop of wheat grades at 92 per cent, showing that the entire eighty-six and one-half million bushels of wheat raised in Kansas this year lacks only 8 per cent of being perfect in quality. Wheat is worth on an average of 80 cents a bushel, which brings to the Kansas farmer more than $60,000,000.

But the American binder that our farmers pay $135 for after being shipped by the manufacturer 17,000 miles across the sea to Australia and away over to Russia and other far eastern countries sells at about $80.

The price of every bushel of wheat on earth is practically fixed in Liverpool. So when the Kansas wheat raisers ship their wheat to Liverpool it is offered in competition with the Australian wheat raisers, the South American wheat raisers, the East Indian wheat raisers, and the Russian wheat raisers, who get their American-made farming implements one-third cheaper than the farmers of Kansas.

FARMER BENEFITED; NOT INJURED.

Great effort has been exerted on the part of the Republicans in an attempt to establish that the farmer has been specially singled out in this bill and discriminated against. Scarcely a Republican speaker has omitted to make this charge. It seems to have been agreed upon as the Republican method for attacking the bill. They seem to think that because they have fooled the farmer for so many years in the belief that he was being benefited by the tariff, which was simply given him in order that they might tax the things which he must necessarily use upon the farm, that they can continue to fool him and regain his confidence by trying to prejudice his mind against this tariff bill. They know that the large vote of the country comes from the farmer.

The facts will not warrant any such accusation, and the effects of the bill will soon prove to the farmer the untruthfulness of the charge. Having been fooled by the cry of "wolf" so many times before by the Republican Party, simply in order to get his vote, the farmer will be somewhat reluctant in giving serious thought to the cry this time.

The truth is he will receive greater benefits from this bill than any other class of citizens, and he will soon find it out. In short, he will get everything he eats and everything he wears and everything he uses upon his farm cheaper than before, and will receive as much for his products as he ever did.

Some of the many articles which he is ordinarily required to buy and will receive free of duty under this bill are as follows:

FARMERS' FREE LIST—THINGS THE FARMER BUYS.

Agricultural implements: Plows, tooth and disk harrows, headers, harvesters, reapers, agricultural drills and planters, mowers, horse-rakes, cultivators, thrashing machinery, wagons and carts, and all other agricultural implements of any kind and description, whether specifically mentioned herein or not, whether in whole or in parts, including repair parts.

Bagging and gunny cloth.
Binding twine.
Bone-meal fertilizer.
Blankets.
Cream separators.
Cement.
Coal.
Coal tar.
Coffee and tea.
Cocoa.
Fruit trees for purposes of propagation.
Gloves.
Guano and manures.
Hones and whetstones.
Harness and saddles and saddlery.

Lumber: Poles, fence posts, handle bolts, shingle bolts, hubs, posts, staves, wagon blocks, heading blocks, boards, planks, deals, laths, pickets, palings, shingles, broom handles, logs sawed, sided, or squared, sawed boards, clapboards, and other lumber.

Nails: Cut nails and spikes, horseshoe nails, hobnails, wire staples, wire nails, spikes; horse, mule, and ox shoes; tacks, brads, and sprigs.

Needles.
Oil cake.
Oils for lubrication.

Petroleum, including kerosene, benzine, naphtha, gasoline, paraffin, and paraffin oil.

Salt.
Seeds.
Sewing machines.
Sheep dip.
Tanning material.
Turpentine.
Tin.
Wax.

Wire: Barbed and galvanized wire for all uses; wire for use in baling hay.

The claim is still made that we should vote for a protective tariff to support the infant industries. There are no infant industries in this country any more. Some of these industries for which they claim protection are more than a hundred years old. A man becomes of age at 21 and a woman at 18, on the theory, no doubt, that a woman knows more at 18 than a man at 21. These industries have certainly become of age and able to stand alone. When a child has grown up until it has reached a size and age to be able to whip the old man, it is certainly time to wean it.

Who collects the tariff?

Did anyone ever see an officer around collecting it?

We know who collects our State and county taxes. We also know just how much we pay.

The merchants of the country collect the tariff. They do not want to do it, but are compelled to under the tariff system. It reduces their profits, depresses their business, and requires them to keep much more invested than they otherwise would. But the Government has fixed up a scheme which compels the merchant to collect the tariff, and he does not receive a cent for doing it, either. I have often thought that if we were to go into a store and buy a bill of goods and pay the merchant what the goods were worth without any tariff and then have a revenue collector call upon us to collect the tariff, the system would not last very long; and surely, when the people discovered that most of the tariff money collected went to the manufacturer instead of the Government, it would not be paid.

The Earl of Chatham—one of the best friends this country had during the Revolutionary period—once said that if the British administration were to add one shilling to the pound in direct taxes, it would create a revolution; but that there was a way by which you could tax the bread out of a man's mouth, the coat off his back, the bed from under him, and the roof from over his head if you would only do it in a way that he did not know it.

This is a fair illustration of the operation of the high protective tariff system, which the Democratic Party by this bill hopes and expects to destroy.

The Democratic Party has simply said to the tariff barons, "Thou shalt not steal!"

These words were written on Mount Sinai by the hand of God on tablets of stone amidst a cloud of smoke and flashing lightnings, accompanied by roaring thunders, when the whole earth quaked.

These words are as sacred and vital to-day as when first written centuries ago. They form the principal ethos of modern political thought.

No political party can long endure without scrupulously following this injunction in all its official conduct.

Mr. ROOT obtained the floor.

Mr. O'GORMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to his colleague?

Mr. ROOT. I do.

Mr. O'GORMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Gallinger	Norris	Smith, Ga.
Bacon	Hollis	O'Gorman	Smith, Md.
Borah	Hughes	Page	Smith, S. C.
Brady	James	Penrose	Smoot
Brandegee	Johnson	Perkins	Stephenson
Bristow	Jones	Pittman	Sterling
Bryan	Kenyon	Poindexter	Stone
Catron	Kern	Pomerene	Sutherland
Chilton	La Follette	Ransdell	Swanson
Clapp	Lane	Robinson	Thomas
Clark, Wyo.	Lewis	Root	Thompson
Clarke, Ark.	Lippitt	Saulsbury	Thornton
Colt	Lodge	Shafroth	Tillman
Crawford	McCumber	Sheppard	Vardaman
Cummins	McLean	Shields	Warren
Dillingham	Martin, Va.	Shively	Williams
Fall	Martine, N. J.	Simmons	
Fletcher	Nelson	Smith, Ariz.	

Mr. McCUMBER. My colleague [Mr. GRONNA] is unavoidably absent from the Senate.

Mr. LEWIS. I desire to announce the absence of the Senator from Tennessee [Mr. LEA], a pressing matter making it necessary for him to be absent, and he requested that I make such announcement for the RECORD.

The PRESIDING OFFICER. Seventy Senators have responded to their names. A quorum is present.

Mr. ROOT. Mr. President, I understand that the subject of the gradation and scope of the income-tax provisions of the pending bill will be considered in the Democratic caucus to be held this evening, and I wish to suggest a view of the duty of Senators upon that subject before my Democratic colleagues reach their own conclusion, a conclusion which may not be open either to argument or persuasion after another report has been made to the Senate.

It goes without saying, sir, that what I have in mind is not controversial matter; it is not matter which I wish to present as a Republican against Democrats, but is matter which seems to me to appeal to every sincere legislator quite independently of any party affiliation or any views upon the questions of finance that have hitherto divided parties. Underlying the whole idea that I have in mind is this consideration: We are not at liberty to regard the imposition of an income tax by the Congress of the United States solely with reference to the direct relation between the Government and its individual citizens, but we must also consider the relations between the Government and the several States and between each State and its representatives and every other State.

The provision of the Constitution which requires direct taxes to be imposed according to the rule of apportionment was a shield provided for each State to protect it against oppression by any combination of other States. In entering into the Constitution every State was surrendering its own several powers to impose taxes upon its citizens and to enjoy the proceeds of taxation; it was surrendering that power to a body in which it was manifest there might easily arise a combination or a community of interest and opinion which would lead to taxation injurious to the State which was surrendering its power. In order to guard against that surrender ever being used to the vital injury of any State, this shield was set up before every State—the requirement that direct taxes should be levied in accordance with the rule of apportionment.

Sir, under the income-tax law which was passed and permitted under the stress and necessities of the Civil War, the limit of exemption was $2,000, and there was no gradation of the tax beyond $2,000. The larger incomes paid the same percentage as the smaller incomes subject to the tax; yet under that act the States of Massachusetts, New York, New Jersey, and Pennsylvania paid more than two-thirds of the entire tax. The report of the Commissioner of Internal Revenue for the year ending June 30, 1871, shows a total net receipt from the income tax of $18,077,511, and of that the four States which I have named, contiguous to each other, including great industrial communities—Massachusetts, New York, New Jersey, and Pennsylvania—paid $12,145,128. They did not complain then, sir; they do not complain now; but in the face of that fact they deliberately, I think all of them—I know my State of New York, which alone paid over $7,000,000 of the $18,000,000, which alone paid more than one-third of the entire tax—my own State voluntarily abandoned the protection which the Constitution gave through the rule of apportionment, and said to the people of the United States, "We will maintain no safeguard against the fairness, the moderation, and the national sentiment of the people of the entire country."

I urged the Legislature of New York to do this in the face of the objection that the people of the West and South would tax New York to death if the protection of the rule of apportionment were abandoned. I am speaking now because I said then to my friends in New York, "No nation can live unless its people can depend upon the fairness and reasonableness of the whole people; and let us cease to depend upon an artificial protection and take our chance with the American people." We did so by approving the constitutional amendment permitting the imposition of an income tax without regard to the rule of apportionment.

Mr. President, it is certainly true that the voluntary surrender of this protection, which was a part of the terms of union, imposes a very high responsibility upon the representatives of the country at large in whose hands this vast and now uncontrolled power is vested. Remember that the protection of the rule of apportionment was a part of those compromises in the Constitution which gave to the smaller States the same representation in this body that the greatest State has; remember that when the States of New York and Pennsylvania and New Jersey and Massachusetts gave their consent to having the smaller and least populous States represented by as many votes in this body as any State was represented by, they did it with this protection.

You Senators—and I speak to every Senator now except my colleague from New York—are not responsible to the electors of New York; there is no sanction governing your action toward the people of New York except that sanction which rests in the approval of your own judgment and your own conscience and the sense of justice of the people of your own States. You are held to no responsibility in dealing with us now except the responsibility that you owe to your own people to be just to others.

So the State of Nevada, with 84,000 people, has as many votes in this body as has the State of New York, with 10,000,000 people, and the State of New York has voluntarily relinquished its constitutional protection against unfair taxation without asking any increase of its representation to correspond to its responsibility and to the possibilities of the contributions which may be required of it. So the assent of the great industrial communities, mainly in the East, to the imposition of an income tax without regard to the rule of apportionment and without any increase of their representation in this body, casts upon you, the representatives of other States, the highest obligation of consideration, moderation, and fairness toward those great States that trust in you to be fair and not to the protection of the old constitutional provision.

Now, what has been done? What is the situation?

The House passed an income-tax provision with an exemption up to an income of $4,000 and with a tax graded up to a point where, I think, the largest incomes pay 4 per cent—the smallest 1 per cent, and then on up to 2 per cent, 3 per cent, and 4 per cent, the tax of 4 per cent being levied on incomes above $100,000.

I beg that no one will misunderstand me as criticizing the principle. I am in favor of an income tax. I believe it is fair. I always have been in favor of it. I voted for the constitutional amendment. I urged it upon my people. I maintained it, and am ready to maintain it anywhere and everywhere. I want the people of my State to pay their fair share of the burdens of the country as part of one country. I am not quarreling either with the income tax or with a graded tax. But, sir, you must remember first, when you proceed to grade a tax, the proposition with which I started; that is, that you are not to have in mind only the relations between this Congress and the individuals, but you are to have in mind also the relations between this Congress and the States.

If you impose too great a burden upon the same people who paid two-thirds of the old income tax—that is, the people of the few States with the great industrial communities in them—you are diminishing the taxable resources of the States. The taxation with which we are now concerning ourselves is but a very small part of the burdens that are imposed upon the people of the United States. The State of New York—and I speak of that merely because I am more familiar with it than I am with other States—while it has great wealth has great demands. The requirements of the tremendously congested population that gather about that great gateway to this great country require enormous expenditures, and the State of New York has to look to its taxable resources to raise the money to render its service to the whole country.

Why, the expenditures of the city of New York for the year 1911 were over $412,000,000. Where did we get that? Part of

it was borrowed, and we shall have to pay it in the future. But in the same year the direct taxes imposed and collected in the State of New York upon real and personal property amounted to over $234,000,000. Besides that we tax inheritances, and we take more by the inheritance tax than is estimated to be taken in any of these grades—some $13,000,000. We tax franchises, and we raised over $10,000,000 from that source. A great variety of taxes is imposed besides the $234,000,000 of direct taxes.

The result is that the people of the State of New York, and mainly the people whom you strike with this income tax, are the source of supply upon which the State of New York has to draw to pay these enormous expenses. It draws every year from them far more, double, nearly treble what you are expecting to raise from the entire people of the United States by the income tax. So you ought to remember that in imposing an income tax you should not be unfair as between the taxable resources of the State of New York and the taxable resources of all other States.

Of course this bill as it now stands is going greatly to increase the relative proportion that will be paid in these particular Eastern States. It is going to increase it, first, because of the gradation of incomes. The gradations as reported from the House are going to make an immensely greater draft on the taxable resources of the State of New York and reduce far more the moneys which that State will have available for its own purposes than the old income-tax law would have done.

If you go on putting up the rates, with no consideration in your minds except the fact that it is all right to put it to a rich man and take away from him as much as you can get, you are still more and more and more depleting the taxable resources of this State which has voluntarily put itself in your hands, trusting to your fairness as between State and State. The same result, sir, will follow from the change in the rate of exemption.

I suppose the great bulk, the vast majority of the people of this country, have incomes under $10,000 a year—yes, under $5,000 a year, under $4,000, under $3,000. The higher you put the exemption the more you are relieving the great mass of the people of the country, and relieving the people of the agricultural States, while concentrating the burden of the tax upon the States in which the men of large fortunes are mainly collected.

Something has been said, and very well said, in the debates in this Chamber about the desirableness of having a low limit of exemption. The Senator from Michigan [Mr. TOWNSEND], supported by the Senator from Minnesota [Mr. CLAPP], said the other day that it was desirable—and I wish to give my adherence to his proposition—that everybody in the country, so far as possible, should feel that he contributed something toward the support of the Government. I do not think that is met by the proposition of my friend from Idaho [Mr. BORAH] that the poor man pays because of the indirect tax. That is rather figurative. He does not really pay anything. He may be subjected to difficulties or hardships, it may cost him more to live, because of the indirect tax, although I do not think there is any substance in that; and certainly there will not be any to speak of under this bill, because you are putting almost everything he uses on the free list. But it does not meet the important case that we do not want a government that is something different from the people. We do not want one set of people who are governing and paying the expenses and another set of people who feel as if they had no part in it, and are therefore against it.

A sense of participation on the part of every American citizen in the operations of government, a feeling of some sacrifice on his part to keep it going and to maintain it, is of the highest importance for the perpetuation of a spirit of patriotism and loyalty to the Government, as well as the maintenance of a vigilant oversight upon the expenditure of money, and sensitiveness to extravagance.

But there is another thing which ought to be kept in mind in dealing with the limit of exemption. I have already said that the great mass of the people of the country are the people of small incomes. That is especially true of the great agricultural States. The men with large incomes tend toward the large cities. Somehow they find more agreeable ways of spending their incomes there for their own pleasure. When you put the limit of exemption up to $4,000, or even to $3,000, you are producing a tax to which the people of Mississippi, my friend; of Arkansas, my friend; of South Dakota, my friend; of Kansas, of North Dakota, and all the other great agricultural States, will contribute hardly anything. Why, the estimate of the whole amount that will be received upon incomes under $10,000 is only $6,000,000—less than a tenth of the whole—and when you consider that the great bulk of the incomes under $10,000 are incomes under $3,000, what you are doing in this bill is to levy a tax upon others, not upon your own constituents. I say, when you put the exemption at $3,000 you are in substance exempting your constituents and concentrating the entire burden of this tax upon my constituents and the constituents of a few other Senators who represent the great industrial communities and who have deprived themselves of their constitutional protection and have thrown themselves upon your fairness and justice.

Sir, anyone of any nobility of character is ready to go under burdens for his country to those who say, "Come!" But how long will a comparatively small part of the country be willing to bear practically the entire burden at the behest of those who say "Go"?

You are not inviting the people of the great industrial communities to share in the burdens of American citizenship in proportion to their means. You are inviting them to take the whole burden, and to take it off your shoulders. You are doing that by the power of the vastly disproportionate and superior representation given to you because you represent sovereign States; because the people of the great industrial communities, having reliance upon the moderation and reasonableness of their sister States, voluntarily abandoned the protection given them by the original provisions of the Constitution.

Mr. President, whatever bill is passed here, I shall not regret that we have voluntarily laid aside the protection of the rule of apportionment. I think that great, great moderation and care should be exercised in fixing the graded income tax with reference to depleting the treasuries and the taxable resources of other States. I think the exemption ought to be put not at $3,000 but at $1,000, to the end that all the people of the country may share in the maintenance of government, and to the end that no section of the country may feel that it is being required to bear a burden in which all are not ready to share according to their means.

But whatever the bill is I still shall not regret that the people of my State have voluntarily abandoned the protection of the original provision of the Constitution, because I am sure the American Union can not endure nor can free government be maintained unless the representatives of our people have that self-control over passion and prejudice, whether it be of class or of section, that wisdom and moderation, which will lead them to be just toward all their fellow citizens and toward every section of our great and beloved land.

Mr. SIMMONS. Mr. President, I ask that the Secretary read the next paragraph.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The SECRETARY. On page 47, paragraph 163 was recommitted to the committee on August 12.

Mr. THOMAS. I ask unanimous consent for the reconsideration of paragraph 155, to the end that a necessary amendment may be made at the end of it.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 46, paragraph 155, line 2, after the words "ad valorem" and before the period, it is proposed to insert a comma and the words "on the lead contained therein."

Mr. SMOOT. That is at least just, whether it will operate or not. Of course, from a protective standpoint, I should like to see it stand as it is.

Mr. SIMMONS. We are delighted to have the approval of the Senator from Utah to something in the bill.

Mr. SMOOT. The Senator from Utah is trying to make the bill as good as it can be.

Mr. THOMAS. Yes; the Senator has made several very good suggestions.

The PRESIDING OFFICER (Mr. CHILTON in the chair). The question is on agreeing to the amendment as reported.

The amendment was agreed to.

Mr. SUTHERLAND. Mr. President, let the amendment be restated.

The PRESIDING OFFICER. The Secretary will restate the amendment.

The SECRETARY. In paragraph 155, page 46, line 2, after the words "ad valorem" and before the period, it is proposed to insert a comma and the words "on the lead contained therein," so that, if amended, it will read:

All the foregoing, 25 per cent ad valorem on the lead contained therein.

The PRESIDING OFFICER. The amendment has already been agreed to.

The SECRETARY. Paragraph 163 was recommitted to the committee on August 12, 1913.

Mr. THOMAS. Mr. President, the committee proposes an amendment to paragraph 163, and, in necessary connection with it, another amendment to paragraph 167. It is the transposition of an item from one of the paragraphs to the other.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 47, paragraph 163, in lines 9 and 10, it is proposed to strike out the words "including time detectors, whether imported in cases or not."

Mr. SMOOT. Do I understand the Senator to ask that the words on line 10, "whether imported in cases or not," be stricken out?

Mr. THOMAS. That is to be transposed to another section.

Mr. LODGE. Let us hear the whole amendment.

Mr. HUGHES. "Including time detectors."

The SECRETARY. It is proposed to strike out the words "including time detectors, whether imported in cases or not," and the comma.

Mr. LODGE. Is that all?

The SECRETARY. On page 47, line 9, it is proposed to strike out the words "including time detectors" and the comma.

The amendment was agreed to.

Mr. LODGE. Is that all?

The SECRETARY. On page 49, in paragraph 167, line 18, after the word "presses," it is proposed to insert "including time detectors."

Mr. SMOOT. The word "including" should not be in that amendment. It should be just the words "time detectors."

Mr. LODGE. Printing presses do not include time detectors under any construction.

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

Mr. LODGE. One moment, Mr. President, before the amendment is agreed to. It seems to me that does not meet the difficulty about time detectors at all. The difficulty about the duty on time detectors is that you can not get the proper rate unless you impose a specific duty and base it on the number of jewels. If you make it an ad valorem duty and make it 25 per cent instead of 30, you still give them a great deal more than they have now.

Mr. HUGHES. We make it 15 per cent, I will say to the Senator, and it figures out——

Mr. LODGE. Oh, I thought it was 25 per cent.

Mr. HUGHES. No; it figures out just about——

Mr. LODGE. Yes; that figures it out. Twenty-five per cent was too much.

Mr. THOMAS. The change was made in accordance with the brief that was filed with the committee by the manufacturers of time detectors.

Mr. LODGE. Certainly; that brings it out right. I just glanced at it and saw "25 per cent." It caught my eye, and I did not see the "15 per cent." That is correct.

It is an improvement on the paragraph, of course, in taking that out, but the objection to watch movements seems to me to remain just the same. I have made that statement, and I will not go on any further about it.

The amendment was agreed to.

Mr. BRANDEGEE. I understand we are now on paragraph 163?

Mr. THOMAS. Paragraphs 163 and 167. There is a transposition.

Mr. BRANDEGEE. I wish to offer an amendment to paragraph 163. Is the paragraph open to further amendment at this time?

Mr. THOMAS. I will say, if the Senator will permit me, that the committee reports back paragraph 163 with the amendment which has just been considered, and in that connection an amendment to paragraph 167. We did that for the purpose of getting the RECORD straight.

Mr. BRANDEGEE. I will say to the Senator the amendment I desire to offer is one in relation to clocks, which I called to the attention of the Senate and the committee at the time this paragraph was under consideration before, and also in connection with paragraphs 81 and 82. Paragraphs 81 and 82 and paragraph 163 deal with different kinds of clocks. In paragraph 81, on page 21, the language is:

Including clock cases, with or without movements.

The same language is repeated in paragraph 82, line 19, on page 21.

I suppose including clocks with movements means a complete clock. In paragraph 163, on page 47, the language is:

All other clocks and parts thereof, not otherwise provided for in this section, * * * not composed wholly or in chief value of china, porcelain—

And so forth—

30 per cent ad valorem.

It is immaterial to me whether I present the amendment to this paragraph now or wait until some other time. I simply call attention to it because the Senator from Colorado presented an amendment to the paragraph.

Mr. THOMAS. Paragraphs 81 and 82 were passed yesterday with the understanding that the Senator from Washington as well as the Senator from Connecticut could afterwards return to them.

Mr. BRANDEGEE. I remember. I am talking about paragraph 163.

Mr. THOMAS. I understand.

Mr. BRANDEGEE. I want to conform to the wish of the committee as to whether to offer my amendment now to paragraph 163 or wait until we reach it at some other time.

Mr. THOMAS. The Senator can do as he likes about it.

Mr. BRANDEGEE. Very well. Then I offer an amendment to come in on page 47.

Mr. LODGE. It is a passed-over paragraph. It is open to amendment.

Mr. BRANDEGEE. Yes. Therefore I offer the amendment. I move, on page 47, in line 16, to strike out the numerals "30," near the end of the line, before the words "per cent," and insert in lieu thereof the numerals "40."

I will state in this connection, Mr. President, the reason why I am offering the amendment. I stated at the time the paragraph was previously before the Senate that the clock business in this country is one of the oldest manufacturing processes known. There are in my State quite a number of manufacturers making various kinds of clocks.

I put into the RECORD a letter which I had received from the president of the clock company located in the city of New Haven, Conn., giving the argument, accompanied by statistics, and all the matters relative thereto which he had presented to one of the committees either of the House or the Senate, and some correspondence I think which he had had with the chairman of the Senate Committee on Finance in relation to the subject.

Without imposing upon the time of the Senate except very briefly I will simply rehearse the salient features of the situation. This New Haven factory makes principally the cheap alarm clocks. They involve passing through some 200 different operations before one of the little round nickel-plated alarm clocks, which retails for about a dollar I think, becomes perfected.

The cost of making these clocks was given in detail item by item by the president of the company, and it appears in the RECORD. The situation is this: There is the closest kind of competition not only in this country but between this country and foreign countries in these articles, particularly between us and the Germans. The facts that I put into the RECORD at the time the paragraph was previously passed upon show that this clock, which it costs 45 cents to make in this country, can be laid down here, duty paid, by the German competitor for 35 cents.

This New Haven factory employs 2,000 skilled mechanics. They can not conduct this business in competition with the German competitor under the rate of 30 per cent proposed by the committee, which is reduced from 40 per cent, equivalent to a reduction of 25 per cent. It is simply a question whether that industry, and I have given simply one type of it in this New Haven company, shall be continued in this country or not.

Mr. McLEAN. Mr. President——

Mr. BRANDEGEE. I yield to my colleague.

Mr. McLEAN. I will state to my colleague that the clock retails for $1.50.

Mr. BRANDEGEE. I am glad to know that. I had stated the price at $1.

Mr. McLEAN. If the Senator will pardon me, I have in my room a clock made in Germany, and it sold in New York for 53 cents. That same clock can be purchased in Washington for $1.56, which shows how the ultimate consumer is affected by the tariff.

Mr. BRANDEGEE. The fact is the clock costs the factory something like 45 cents, and their selling price is very little above that; and yet it retails, as my colleague says, at $1.50. The information I put in the RECORD at the time shows that the factory makes but about 6 per cent. I think it makes just that at present, and the factory can not compete, even on the theory that we want to put our industries upon the most severe competitive plane with their foreign competitors. There is no escape from the instance which I present, and they will either go out of the business in this country or cut the wages of the employees in this industry. As it is now, I remember the president of the company stated the life of one of these clocks is over two years, and the factory cost is 45 cents. Anyone can figure out

himself, if he has time to take a lead pencil, what the cost to the purchaser would be of a dollar-and-a-half clock that lasts two years. It is 75 cents a year, a little over a penny a week. How much of that cost to the ultimate purchaser of a penny a week would be saved by the substitution of the German clock laid down here at 33 cents instead of the American-made clock at 45 cents anyone who can go into the refinement of decimals to a sufficient limit can figure for himself.

But the fact at home that hurts and pinches is that 2,000 skilled American mechanics are now employed in this one concern, who depend for their living and that of their families upon this industry, and all the money that they make and spend in other ways contributes to other productive enterprises in this country. The fact remains that that concern is to be put out of business and those men are to be discharged owing to what the ordinary person would think was not a very serious matter, a mere hasty reduction of a tariff duty from 40 per cent to 30 per cent ad valorem. That is the effect of it in its ultimate analysis.

These clocks are at any rate an industry important enough to have a separate classification, in my judgment, and to have—I will not say more careful consideration than the question has had, because I do not know how much care has been given to it. It may be that in the tremendous amount of work that has been dumped upon the Finance Committee in the preparation of this bill, involving 4,000 or 5,000 items, they have not had time to consider carefully enough this particular feature of it, although the facts and the statistics were presented by the president of the company in the form of a brief. But I do not know and can not state whether all the members of the committee had time to pursue all the briefs that were dumped upon them. I suppose they did not.

I can not do more than I have done in offering the amendment, which I submit to the consideration of the Senate.

Mr. THOMAS. I simply wish to say that the subcommittee gave as close attention to the consideration of this paragraph as was possible; perhaps not an exhaustive consideration, but as much as possible, and they determined to make no change in the rate fixed by the House, largely because the exports of this particular commodity are three times the amount of the imports, showing that it is an independent industry.

Mr. BRANDEGEE. I stated at the time, bearing upon the observation of the Senator from Colorado, that the exports of this commodity are principally to Canada and to Mexico, and the clocks are exported there because they get them so much quicker than they would by importing them from abroad. They are not exported to the competing countries at all; and the reason why they can be exported to these countries in competition, in addition to the time in their favor, is because of the preferential trade agreements that exist between our country and the countries to which they are exported.

Mr. THOMAS. There is a preferential agreement between Great Britain and Canada that is 33.3 per cent to the disadvantage of this country.

Mr. BRANDEGEE. I am informed the other way. The matter I put in the RECORD I think was reliable. The president of the company had examined it very carefully.

Mr. SMOOT. Mr. President, I am not going to offer an amendment, nor detain the Senate more than a minute. I simply want to call the attention of the Senator from Colorado to the working out of paragraphs 163 and 81 and 82. Paragraph 163, on page 47, provides that—

> All other clocks and parts thereof, not otherwise provided for in this section, whether separately packed or otherwise, not composed wholly or in chief value of china, porcelain, parian, bisque, or earthenware, 30 per cent ad valorem.

Paragraph 81, on page 21, line 2, provides a rate of duty of 35 per cent ad valorem on certain items including clock cases with or without movements. In other words, if an importer desires hereafter to import a clock with a china, porcelain, or bisque case, he will of course import the case without movements, and will import the movements under paragraph 163, at a rate of 30 per cent instead of 35 per cent for the case. That will be the result of the working out of the bill.

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

The SECRETARY. On page 147, paragraph 163, line 16, before the words "per cent," strike out '30" and insert "40."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Connecticut [Mr. BRANDEGEE].

The amendment was rejected.

Mr. THOMAS. I ask unanimous consent to reconsider paragraph 164 for the purpose of adding an amendment in line 13.

The PRESIDING OFFICER. Without objection, the paragraph will be reconsidered. The amendment will be stated.

The SECRETARY. In paragraph 164, page 148, line 13, after the words "ad valorem" add the words "upon the zinc contained therein."

Mr. SMOOT. Mr. President, just one question. I have not looked up that amendment, but I want to ask the Senator, Suppose they import zinc-bearing ores into this country, and they include lead ores as well, but the zinc is of the greater value? I have not noticed anything in the bill that would provide for that. I ask the Senator if it should not be provided for?

Mr. THOMAS. I should think that the lead content would be dutiable under paragraph 154 and the zinc content under paragraph 164.

Mr. SMOOT. The trouble is that one provides for a lead ore and the other provides for a zinc ore.

Mr. THOMAS. But upon the lead and zinc contained therein.

Mr. SMOOT. That is true. If the ore is shipped as zinc ore, there is a greater value, of course, of zinc. Words ought to be added to the amendment of the Senator——

Mr. THOMAS. What would the Senator suggest?

Mr. SMOOT. This is what I am thinking of: There are zinc ores imported into this country containing lead.

Mr. THOMAS. And vice versa.

Mr. SMOOT. Yes; and vice versa. In the old law there is a provision to take care of that, but I have not noticed whether there is such a provision in this bill or not. That, of course, can be looked up afterwards, if the Senator has not had his attention called to it.

Mr. THOMAS. The words just offered are not in the old law at all.

Mr. SMOOT. No; because there is a provision in the old law which takes care of that. I will not take the time of the Senate further than to call attention to it.

Mr. THOMAS. Very good. If anything needs rectification, it can be easily returned to.

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

The amendment was agreed to.

The SECRETARY. The next paragraph passed over is paragraph 151, on page 50 of the bill, passed over at the request of the Senator from Michigan [Mr. TOWNSEND].

Mr. SMOOT. There is one paragraph that I should like to call the attention of the Senator from Colorado to before we reach that paragraph that was passed over, and that is paragraph 168. The Senator will remember I asked that there be an amendment made to that paragraph.

Mr. THOMAS. Yes; that was considered and the full committee objected to the amendment. It was presented along the line of the Senator's suggestion to the full committee, but was not approved. The Senator is referring to surgical and dental instruments?

Mr. SMOOT. I suggested to include in that amendment "surgical or dental instruments or parts thereof."

Mr. THOMAS. The committee did not approve of that amendment.

Mr. SMOOT. The committee refused to accept the amendment?

Mr. THOMAS. Yes.

Mr. SMOOT. Mr. President, so that the record will be straight, I desire at this time to offer an amendment to paragraph 168. After the word "nippers" I move to insert a comma and the words "and surgical and dental instruments and parts thereof."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In paragraph 168, page 49, line 24, after the word "nippers" insert a comma and the words "surgical and dental instruments or parts thereof."

The amendment was rejected.

Mr. BRANDEGEE. To paragraph 167, on page 49, I submit an amendment in line 21.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Paragraph 167, page 49, line 21, after the words "ad valorem," insert "engraved rollers, mills, or dies used for printing or embossing, 45 per cent ad valorem."

The amendment was rejected.

Mr. THOMAS. My recollection is that paragraph 169 was also passed over to accommodate the junior Senator from Massachusetts [Mr. WEEKS].

Mr. SMOOT. It was passed over, but was afterwards considered and agreed to.

The PRESIDING OFFICER. It is the recollection of the Chair that it was agreed to.

Mr. BRANDEGEE. In regard to paragraph 169, I received a letter some time ago from one of the factories in my State.

They think that there is a doubt whether brass would be comprehended in that paragraph. Inasmuch as it takes in lead, copper, nickel, and pewter I would like to have brass substantially mentioned, if there be no objection to it. It says, "or other metal, but not plated with gold or silver."

Mr. THOMAS. Do not the words "or other metal" cover it?

Mr. BRANDEGEE. I think to insert the word "brass," unless there is some objection to it, would put the matter beyond question. If the Senate is not ready to act upon it now, I will just offer the amendment.

Mr. THOMAS. I do not see any objection to it.

Mr. BRANDEGEE. Then, after the word "copper," line 6, page 50, I move to insert the word "brass."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 60, after the word "copper" and the comma, insert the word "brass" and a comma.

The amendment was agreed to.

The PRESIDING OFFICER. The next paragraph passed over will be read.

The SECRETARY. The committee proposes to strike out paragraph 171 as printed in the bill and to insert a new paragraph, as follows:

171. Cedar commercially known as Spanish cedar, lignum-vitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, and satinwood; all the foregoing when sawed into boards, planks, deals, or other forms, and not specially provided for in this section, and all cabinet woods not further manufactured than sawed, 10 per cent ad valorem; veneers of wood, 15 per cent ad valorem; and wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem.

Mr. HUGHES. I move to strike out the semicolon on page 51, line 1, and insert a period.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 51, in the committee amendment, line 2, after the words "ad valorem," strike out the semicolon and insert a period.

The amendment to the amendment was agreed to.

Mr. HUGHES. Now I move to strike out the language following the period to the end of the paragraph.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Strike out lines 2, 3, and 4 in the committee amendment, in the following words:

And wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem.

The amendment to the amendment was agreed to.

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

The amendment as amended was agreed to.

The SECRETARY. The next paragraph passed over is on page 51, paragraph 174, boxes, barrels, or other articles, and so forth.

The first amendment of the committee has been agreed to.

The second committee amendment is, in line 13, after the word "pomelos" and the comma, to insert "or other fruits."

The amendment was agreed to.

The SECRETARY. In line 16 the committee report to strike out the words "orange and lemon" before "boxes" and in lieu to insert "fruit."

The amendment was agreed to.

The SECRETARY. In lines 17 and 18 the committee report to strike out "orange and lemon" before "box" and insert "fruit."

The amendment was agreed to.

The SECRETARY. In line 19 the committee report to strike out, after the words "filled with," the words "oranges and lemons" and insert the word "fruit."

The amendment was agreed to.

Mr. HUGHES. I ask that the paragraph in its amended form be passed over for the present. It is my recollection that the Senator from Maine [Mr. JOHNSON] has an amendment to offer to the paragraph. I do not see him present at this time. I ask unanimous consent that the paragraph be passed over temporarily until the Senator from Maine comes in.

The PRESIDING OFFICER. Without objection, the paragraph will be temporarily passed over.

The SECRETARY. On page 52, paragraph 176 was passed over at the suggestion of the Senator from Washington [Mr. JONES].

Mr. JONES. I desire to offer an amendment. This is a matter of very great importance to our State. While I do not like to delay the Senate, I do feel that there ought to be more Senators present to hear the discussion with reference to this question. I think it will appeal to their sense of justice and fairness. So I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Washington suggests the absence of a quorum. The Secretary will call the roll.

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

Ashurst	Fletcher	Norris	Smith, S. C.
Bacon	Gallinger	O'Gorman	Smoot
Bankhead	Hollis	Overman	Stephenson
Bradley	Hughes	Page	Sterling
Brady	James	Perkins	Stone
Brandegee	Johnson	Pittman	Sutherland
Bristow	Jones	Poindexter	Swanson
Bryan	Kenyon	Reed	Thomas
Catron	Kern	Robinson	Thompson
Chamberlain	La Follette	Root	Thornton
Chilton	Lane	Saulsbury	Tillman
Clapp	Lippitt	Shafroth	Vardaman
Clark, Wyo.	Lodge	Sheppard	Walsh
Clarke, Ark.	McCumber	Sherman	Warren
Colt	McLean	Shields	Williams
Crawford	Martin, Va.	Shively	Works
Cummins	Martine, N. J.	Simmons	
Dillingham	Myers	Smith, Ariz.	
Fall	Nelson	Smith, Md.	

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. There is a quorum present.

Mr. JONES. Mr. President, I desire to offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from Washington will be stated.

The SECRETARY. In paragraph 176, page 52, line 7, after the word "thousand," it is proposed to insert "shingles, 40 cents per thousand"; and in the free list, on page 157, line 3, to strike out the word "shingles."

Mr. JONES. Mr. President, in this bill shingles are placed on the free list. They now bear a duty of 50 cents per thousand. The effect of my amendment is to strike shingles from the free list and put them on the dutiable list at 40 cents a thousand, or a reduction of 20 per cent.

I can hardly believe that the question with reference to placing shingles on the free list or the dutiable list was given any very careful consideration by the committee. I can not understand why shingles should be placed on the free list upon any theory of tariff revision. To place shingles on the free list can not be in accordance with the theory of tariff for revenue, because that releases all the revenue, while with a small duty of 40 or 50 cents a thousand shingles would bring into the revenues of the Government two or three hundred thousand dollars per annum.

Then, to place shingles upon the free list is contrary to one of the declarations of the Democratic platform, and that is that they do not propose in tariff measures to reduce revenues in such a way as to injure any legitimate industry, because the shingle industry is certainly a legitimate industry, and that placing them on the free list will do a great injury to the industry I think I shall be able to show.

We have often been told in the consideration of the pending bill when a proposition was made to put an article on the free list that the committee thought the Government needed a duty on that article for revenue purposes. The tariff on shingles can not be counted as anything more than a tariff for revenue. The duty is now only a little over 20 per cent ad valorem—50 cents a thousand.

I am willing and our people are willing, without special protest, to accept the provisions in this bill with reference to the lumber industry and lumber products generally. Our people have recognized that the people of the country generally demand that lumber and lumber products, as a general rule, should be put on the free list, and that it will be useless for us to object. So we are not making objection to those provisions of the bill, though we think that they are very unjust and that they will work great injury to a great industry in our State. The shingle industry, however, while a part of the lumber business, is a distinct industry in itself and should be considered separately.

I want to call the attention of the Senate to the fact that when the lumber schedule in the Payne-Aldrich law was under consideration, while it was generally conceded that there should be a material reduction in the duty on lumber, yet, after extensive hearings and a careful consideration, it was determined that the shingle industry, or the shingle part of the lumber industry, required an increase of the tariff, and so shingles were one of the articles in the Payne-Aldrich law on which the duty was increased from 30 cents a thousand to 50 cents a thousand. Our Democratic friends, without considering the interests that are dependent upon this tariff, take all this duty off; there is not a gradual reduction; the conditions are not taken into account and the tariff revised so as not to threaten any injury to this industry, but the tariff is entirely taken off and shingles are placed upon the free list.

What does this industry mean to our State? It is not a small matter, but it is one of our greatest industries. The value of

the production of shingles in this country is $30,000,000; the production in number of shingles is from twelve to fourteen billions; and of that amount the State of Washington produces two-thirds, or about 8,000,000,000 shingles, of the value of nearly $20,000,000.

We have in our State about 500 shingle mills. They are small establishments; they are independent of each other. You can not say that you ought to put shingles on the free list because they are controlled by a trust, for they are not. There is probably no industry of a similar size in the country where the different units of it are so independent of each other as in the shingle industry. So I say in my State we have nearly 500 independent, separate mills producing shingles, whose interests are entirely disregarded by the terms of this bill. We employ about 15,000 men in this industry, and, reckoning two or three to the family, we have thirty or forty thousand people dependent upon those 15,000 men, or about 60,000 people in our State dependent upon this industry for employment, wages, support, education, and a comfortable living.

The annual pay roll for the laborers employed in connection with the shingle industry in my State amounts to about $7,500,000; the product, as I have said, is valued at about $20,000,000; the property invested in this industry is about $4,500,000 in the mills, about $1,500,000 in the logging camps, and about $10,000,000 in timber; so that there is a capital invested of about $20,000,000 in my State alone in the shingle industry. This will give you some idea as to the importance of this industry.

Mr. SMITH of Arizona. Mr. President, will the Senator from Washington permit me to ask him what was the amount of the labor cost on those shingles? Was it seven and a half million dollars?

Mr. JONES. No; that is not the labor cost. That is what was paid to labor as wages to the employees and the mills.

Mr. SMITH of Arizona. That is what I meant—the labor. There was an annual production in dollars of how much?

Mr. JONES. The production is estimated at from seventeen to twenty million dollars.

Mr. SMITH of Arizona. Seven and a half million dollars in actual labor and twenty million dollars in actual production. That would leave nearly $13,000,000 received every year. How much capital is invested, according to the Senator's figures?

Mr. JONES. Twenty million dollars.

Mr. SMITH of Arizona. Making an investment, including the amount paid for labor, of, say, $27,000,000 and a gross income every year of $20,000,000, leaving a net income of $13,000,000 to the owners. The reason I am asking this question is that in my particular part of the country, under the present law restricting our right to use the timber growing at our doors, it is just as cheap to build with stone and to cover with steel as to attempt to get shingles from the Senator's part of the country into ours. In this burden of a tax of 50 cents, or any other figure, raises the price of shingles any higher, when you are showing such a profit in that industry, it ought not to be imposed, and I think the Senator ought to concede that we have a right to purchase shingles at some reasonable price.

Mr. JONES. But the Senator does not understand that the difference between seven and a half millions and twenty million dollars is all profit, does he?

Mr. SMITH of Arizona. Of course not. In that your invested capital has to be figured.

Mr. JONES. Certainly; and there is machinery.

Mr. SMITH of Arizona. I say the invested capital, which includes the machinery, and your timber must be considered.

Mr. JONES. No; the estimate does not include machinery. I do not know how much there is allowed for that.

Mr. SMITH of Arizona. I was including that in capital. The Senator has said that $20,000,000 is the income in one year. Seven and a half million dollars, as the Senator says, is paid for labor, which leaves nearly $13,000,000 profit, excluding the machinery and lumber and the other investments necessary to carry on the business. It seemed to me from that, without being critical with my friend, that the profits are large enough to the owners to permit us to buy shingles a little cheaper, provided the Senator contends that the tax raises the price to us.

Mr. JONES. I will not contend that the tax raises the price to you; in fact, I think I will show before I am through that the increase of the tariff rate under the Payne-Aldrich law did not increase the price of shingles one penny or one cent per thousand of shingles.

Mr. SMITH of Arizona. Then why did they need it? What was the purpose of it?

Mr. JONES. I will show that, if the Senator will merely give me an opportunity, although I did not intend to discuss the whole tariff proposition; I did not intend to discuss all the principles of a protective tariff. I thought I would merely present the facts here to the Senate and not take the time of the Senate in the discussion of these controversies, about which we might argue from now until Christmas and still my friend from Arizona would have his views about the tariff and I should have mine.

Mr. SMITH of Arizona. If the Senator will permit me, I have not said a word since this debate on the tariff began.

Mr. JONES. I have not said many words.

Mr. SMITH of Arizona. I do not intend to say many until it is ended; but if the Senator will feel as sorry for the remainder of us as I have felt for myself when hearing the editorials and endless talk of the candidates for office on this bill, he will understand that I would not say a word to him that would induce him to utter a single solitary additional word in the matter. I was asking the questions largely for my own information.

Mr. JONES. Of course, I do not know what the Senator means by referring to candidates for office. I am presenting a matter which I consider of vital importance to the people I in part represent, and will take no more time in doing so than I deem absolutely necessary. I have not said that the difference between $7,500,000 and $20,000,000 is profit. It is not. A large amount is paid by some mills for shingle timber—mills that do not own their own timber. There are various other items of expense, and, as a matter of fact, not much profit has been made during the last few years, and some of the owners of mills have made no profit at all, as I will show. Shingles are not high between the manufacturer and his purchaser, no matter what the price may be when they reach the country of my friend from Arizona.

Mr. MARTINE of New Jersey. Mr. President, will the Senator yield to me a moment?

Mr. JONES. Certainly.

Mr. MARTINE of New Jersey. I want to ask why especially protect shingles in contradistinction to clapboards used on the side of a house? Why should shingles be especially favored over clapboards? The Senator says he deems the manufacture of shingles a very special industry. Now, why should they have any better treatment than the clapboards which are used to protect the side of the house from the east wind?

Mr. JONES. Well, Mr. President, from my standpoint of protection, if the clapboard industry needs protection, it ought to have it. I have not given any special consideration to the clapboard industry. I do not know just what——

Mr. MARTINE of New Jersey. But I ask why in all reason should a shingle have any better protection than a clapboard?

Mr. JONES. I should like to ask the Senator why should there be a 25 per cent duty on toothpicks, as provided in this section, and none on shingles?

Mr. MARTINE of New Jersey. Well, there is a good deal of difference between the manufacture of an infinitesimally small article such as a toothpick and the manufacture of a shingle; but for my own purposes I would have toothpicks as free as I would have shingles, and I would have shingles as free as I would have toothpicks.

Mr. JONES. Yes; but I find a 25 per cent duty on toothpicks and you will vote for it.

Mr. MARTINE of New Jersey. The Senator says there are hundreds of little shingle mills scattered through the length and breadth of his State, and that anybody can engage in the business. I can not see why an article so absolutely necessary for the well-being of the hearthstone and the home as a shingle should not be made free of tariff tax.

Mr. JONES. I would not oppose a reasonable tariff. The tariff rate on shingles now is only 20 per cent ad valorem; and I am offering an amendment that cuts it down lower than that. I am offering an amendment making the duty only 40 cents a thousand.

Mr. MARTINE of New Jersey. The reason I interposed, not unduly to interrupt the Senator, was that I could not understand why shingles should be especially favored over clapboards.

Mr. JONES. I am not framing this bill, I am sorry to say, and I am not opposing a duty on clapboards. If those interested in clapboards show that they need protection I will be glad to favor such a proposition. I think the needs of each industry should control and not whether or not a duty is placed on some other product.

Mr. MARTINE of New Jersey. The Senator is presenting the shingle question?

Mr. JONES. Yes.

Mr. MARTINE of New Jersey. And the Senator has said that the constituency in his State, in deference to public opin-

ion, have opened their eyes to the solemn truth that the people were surfeited with tariff protection—he did not say that, but he meant that they had enough of it.

Mr. JONES. No, no; I did not mean that. The Senator misunderstood me.

Mr. MARTINE of New Jersey. The Senator said that they realized that the country demanded a reduction of duties; and, as an intelligent constituency, of course they knew what that meant. They felt that the protected industries had been tapping the people long enough, and now they were willing to let up, simply because the people said, "We will not give you this pap any longer."

Mr. JONES. I did not intimate anything of that sort. I simply suggested that our people recognized the inevitable; that they simply accepted free lumber because they had to; and that they are going to accept it, with reference to the lumber industry generally, without any particular kicking. That is all.

Mr. President, I simply wanted to present the facts with reference to the shingle industry and not discuss the whole tariff question. It seems to me that if I were a Democrat I could justify a small tariff duty on shingles from a revenue standpoint. As I said awhile ago, when we ask to have some article placed on the free list you have answered us many times that you want revenue; that you must have the revenue. Now, with a tariff duty on shingles of 50 cents a thousand you get about $250,000 of revenue a year, although the duty is only a little over 20 per cent ad valorem, which is a very small revenue rate, so far as that is concerned; but instead of giving us even a revenue rate, with whatever incidental protection might go with it, you simply wipe out the duty entirely, without taking into account what effect it may have upon this industry, which is especially important to our State.

As to labor conditions, of course, Mr. President, they will not appeal to my Democratic friends. They are not concerned about them and do not take them into account in framing the bill. If I find that I can not appeal to them at all upon the ground of revenue, if I can not get any response from that standpoint, of course, I do not expect them to take into consideration the matter of labor conditions in our State as compared with our competing brothers to the north, because competition in cedar shingles comes from British Columbia, to the north. What are the labor conditions there and in our country? In our country the labor employed in the shingle mills is 99 per cent American, while in the Canadian mills it is about 80 per cent oriental—Chinese, Hindu, and Japanese. In our State we pay our laborers from $2.25 to $4 a day, while the Canadian mills pay from $1.25 to $4 a day.

There are the facts. They can not be denied. They may not appeal to you. They do to me. No argument can strengthen them. I simply submit them as an appeal to your sense of what is fair and just. Of course with that difference in labor conditions there must be an advantage on the other side of the line as against our people. We shut the Chinese out of this country; and yet our friends on the other side of the Chamber seem to be perfectly willing to let the product of Chinese labor come from across the line over into our country in competition with our labor. Our people are home builders; they are home makers; they are home lovers; they are engaged in this industry in our State near their homes, and I think we ought at least to give them some consideration.

I have some letters here about the profits in the industry. These letters come from very reliable people; they are men, of course, who are interested in this industry, and who may be considered as interested witnesses; and yet I do not think that even our Democratic friends will think that simply because a man is interested in an industry he has no regard for the truth at all. I have here a letter from a company at Clear Lake, Wash., in which they say this:

> The company which I represent is a large manufacturer of shingles. We expect to cut this year almost 150,000,000 shingles. We employ in our shingle mill alone about 60 men with a monthly pay roll of $7,500. In addition to these men, an equal number are employed in the woods getting out the timber for the shingle mill, with a pay roll equal to the one in the mill itself. If the shingles from British Columbia are permitted to come into the United States free of duty, I have not the slightest doubt that it will mean a period of stagnation running over from one to three years, with possibly a large portion of these men thrown out of work. It will mean at the very least a material reduction in their wages and a very great disturbance in industrial conditions in this State.

Then here is another firm that says this:

> For the past five years there has been practically no profit whatever in the manufacture of shingles, and in the meantime the British Columbia shingles have been selling in competition with us and paying 50 cents per thousand duty.

Then I have another letter from a man at Custer, a very small town in our State, which depends absolutely upon the shingle mills there. I think there is hardly any other kind of business in that place. He says this:

> CUSTER MERCANTILE CO. (INC.),
> *Custer, Wash., April 15, 1913.*
>
> Hon. Senator W. L. JONES, *Washington, D. C.*
>
> DEAR SIR: By instruction of our club I send you inclosed resolution, and hope and trust that you will use all your influence to have the present duty on shingles maintained. We have nine mills shipping their shingles from Custer.
>
> I wish to state further that my partner and I have an interest in a shingle mill built in 1909, which has been operating every summer. We have paid our men from $65 to $135 per month, but we—the mill owners—have not yet had one dollar paid us as profit. The time, we hope, will come when our country will not need or miss the shingle industry, but it is not at hand yet. Any reduction on the tariff of shingles will bring the mills to close down, and it will cause a hardship all around.
>
> Respectfully submitted.
> Yours, truly, P. S. MUNDAL.

So that, according to these men, they have been running their mills four or five years without a single dollar of profit coming to them from their money actually invested in the enterprise and in the plants. There are other letters that I will not take the time to read but will submit with my remarks.

As I have said, there is no trust in this industry. Many of the mills are small; they have been started by a few men who have gathered together a little money. Possibly they have been what are shingle weavers, laborers. They have put together their little capital, consisting of their money and their skill, in this industry, have erected small mills, and have been trying to maintain themselves, make a competence for their families, and to supply the demand for this article.

Who are our competitors? British Columbia, to the north of us, with 182,000,000 acres of timber land, much of it valuable for the making of shingles. They have been producing a great many, and under the tariff we now have they have been exporting shingles to this country. They can do this with their cheap labor and cheap timber. When we had a tariff of only 30 cents a thousand there came to this country over 5,000 carloads of shingles a year in competition with those made by the people of this country. After we increased the tariff to 50 cents a thousand on shingles the exportation of shingles to this country did not cease. In 1911 we imported over 642,000,000 shingles into this country, in 1912 over 514,000,000, in 1913 over 560,000,000 shingles, and through the little town of Blaine, in my State, on the border, not to an eastern market, but to our State, the following imports were made:

In 1907, 588 carloads; in 1908, 595 carloads; in 1909, 604 carloads; in 1910, 242 carloads; in 1911, 82 carloads. Even with a duty of 50 cents a thousand they imported into our State alone in 1911, 82 carloads, and in 1912, 142 carloads; so that a tariff of 50 cents a thousand is not a prohibitive tariff by any means.

What about the actual prices on these shingles? I told the Senator from Arizona that I would notice that point. He suggested one proposition that is always suggested in tariff debates when he asked if with a tariff on an article the price does not increase, then what is the use of the tariff? Well, the answer to that, so far as the shingle industry is concerned, is simply that with this tariff we have been able to maintain our market, and instead of having it overglutted, thereby not only depressing and lowering the price, but closing mills and throwing labor out of employment, we have been able to keep them employed, and with competition among, for instance, the 500 plants in my State they have kept down the price regardless of the tariff. If you take the tariff off and throw open this industry to competition of the cheaper labor of Canada, although there may be, of course, temporarily lower prices, when they get the mills closed down and force the people now engaged in that industry into some other work, then we may expect the Canadians to raise the price. This industry well illustrates what can and will be done by competing plants behind a protective wall.

What are the facts with reference to the increase of 20 cents a thousand on shingles four years ago? I have here the prices of shingles from 1908 for nearly every month in the year from that time until this. The prices range practically the same, although they were higher in 1908 than they have been at any time since then. But coming to 1909, just prior to the passage of the Payne-Aldrich law, when the tariff duty was increased from 30 to 50 cents per thousand, I find that in August, 1909, the price on clear shingles was $2.15 to $2.25 per thousand.

In August, 1909, the price on clear shingles was from $2.15 to $2.25 per thousand; on star shingles, $1.75. Then, in September, the price was from $2.30 to $2.35; October, $2.20; November, $2.05 to $2.10; December, $2.05—less than it was prior to the passage of the bill.

In 1910, in January, the price was $2.15 to $2.20, practically the same as it was before; February, $2.20; March, $2.20;

April, $2.20; May, $2.10; June, $2.15; August, $2.10; September, from $2 to $2.05; October, from $2 to $2.05.

In 1911, in January, the price was $1.90, or 30 cents a thousand less than it was just prior to the passage of the bill. In February it was $2.

Mr. KERN. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Indiana?

Mr. JONES. Certainly.

Mr. KERN. Does the Senator refer to the retail price of shingles in the State of Washington?

Mr. JONES. This is the quoted price to the jobber from the manufacturer.

Mr. KERN. To the jobber?

Mr. JONES. Yes.

Mr. KERN. I was about to say that the retail price in the East to the consumer of Washington shingles and Oregon shingles, the best shingles, is something like $3.50 to $4 a thousand.

Mr. JONES. That may be true, but of course that is independent of the tariff. Whatever effect the tariff has it has on the price from the manufacturer to the first buyer from him. Of course it does not affect the price from him on. Even if we should take those prices, does the Senator from Indiana know whether or not they have increased since 1909, when the Payne-Aldrich tariff bill was passed?

Mr. KERN. No; I do not. I simply know from purchases I have made that in the last year the price was from $3.50 to $4 a thousand.

Mr. JONES. Does the Senator know what it was just prior to the passage of the Payne-Aldrich law?

Mr. KERN. That was since the passage of the Payne-Aldrich law.

Mr. JONES. But, I say, does the Senator know what the price was just prior to the passage of the Payne-Aldrich law?

Mr. KERN. I do not.

Mr. JONES. I am showing here that the wholesale prices were practically the same before the passage of the law as they have been since the passage of the law notwithstanding the increase in the tariff; that is all. I am simply stating the facts. I am not presenting any argument about the matter, but these are the facts. They speak for themselves.

Mr. MARTINE of New Jersey. Does the Senator know as to what part of the fluctuation in the price of shingles may have been due to the use of substitutes for shingles? For instance, artificial shingles are now used very largely—asbestos shingles, metallic shingles, rubberoid shingles, and a score of other substances.

Mr. JONES. We have been using those things for several years.

Mr. MARTINE of New Jersey. We have been using them for the last three to five years.

Mr. JONES. I think a good many of those things were in use before that time.

Mr. MARTINE of New Jersey. Not asbestos shingles, but many other substitutes were.

Mr. JONES. Of course we change and use different things from time to time, but before the Payne-Aldrich law was passed those changing conditions existed, and I am simply presenting the facts.

Mr. MARTINE of New Jersey. I believe the Senator will agree that the tariff is imposed generally and is paid by somebody.

Mr. JONES. I am not going to go into the question as to who pays the tariff. I have my views of it.

Mr. MARTINE of New Jersey. It is paid by the consumer.

Mr. JONES. But you can not get around this list, which shows that the prices before the passage of the Payne-Aldrich law were as high if not higher than they have been since. This shows conclusively to my mind that the tariff was not added to the domestic price, the consumer did not pay more by reason of it. The consumer of Canadian shingles paid no more than the domestic price, and the Canadian must have paid the duty and took it out of his profits. The consumer did not pay it.

Mr. MARTINE of New Jersey. Then, I ask, what is the use of the tariff?

Mr. WARREN. Mr. President, a point of order.

The VICE PRESIDENT. The Senator from Wyoming will state his point of order.

Mr. WARREN. I call the attention of Senators to the rule that the Chair should be addressed before interruptions are made. We wish to hear this argument, and where both Senators are speaking at once it is very difficult to hear it.

Mr. MARTINE of New Jersey. I felt that I had gained the consent of the Chair. However, I am quite willing to stand reproved if I am in error. I realize, however, that in a little controversy of this kind we very often dip in without going through the formality of asking the permission of the Chair.

Mr. JONES. To proceed, Mr. President; in April, 1911, the price of shingles was $2. In May it was $1.95. I will say that in each case the prices are for the same class of shingles. In July the price was $1.95; in August, $1.95; in September, $1.93; in December, $1.85.

In 1912, in January, the price was $1.75 to $1.80; in April, $1.91; in July, from $1.95 to $2; in August, $2.20. In other words, in August of 1912 they came up substantially to the same price they were in August of 1909, just prior to the passage of the Payne-Aldrich law. Then, in September, they were $2.40, quite a little higher. In October they were $2.30. In November, coming down again, they were $2; in December, $2.15. In January of 1913 they were $2.20; in March, $2.15; in April, $2.20; in May, $2.25; in July, $2.20 to $2.25, or substantially the same as they were prior to the passage of the Payne-Aldrich law.

In other words, these figures show me that with the competition among our own people they have maintained the price at the lowest possible level. It may not appear that way to some of our friends on the other side, but that is the only conclusion I can draw from the facts as they are here. They try to avoid the facts. I let them speak for themselves. They need no aid from me.

Mr. JOHNSON. Mr. President, if the Senator will pardon an interruption, he spoke of the competition in this country. I should like to inquire where the mills on Puget Sound meet competition in the western part of the country?

Mr. JONES. I do not think the Senator was present when I spoke about the condition of the industry in my State. The competition is among our own mills. There are nearly 500 of these shingle mills in my State. They are practically independent of each other. The competition is keen and sharp.

Mr. JOHNSON. In what other States are there any mills that saw shingles or deal in shingles except in the Senator's State of Washington?

Mr. JONES. I do not know of any great industry in this line in any other State. Of course, I said that we produced practically two-thirds of the shingles used in the whole United States, but the competition is so sharp among the manufacturers of shingles in our State that they keep the wholesale price down to the minimum. As I read from some of the men engaged in that industry here, some of them have made no profit at all during the last four or five years. They have simply been able to keep their mills going. They have paid their help good wages, but the owners have received practically nothing on their investment. That, of course, does not apply to all. Some of them, I suppose, have made more than others. Some of them probably have better facilities than others; but, as a whole, the industry in my State has not made money. They have been able to maintain themselves, but the competition between them has kept down the price of shingles to the consumer.

The tariff increase that was made four years ago has not added to the price of the shingles, but it has possibly enabled our people to maintain the industry, and keep their men employed, pay them good wages, and keep the market from being flooded and glutted by the mills from the other side.

From the most reliable information I can get, the Canadian mills are producing only about 50 per cent of their capacity to-day. If you take off this tariff entirely those mills will be given an opportunity to run to their full capacity; and according to our people, and as it looks to me, our industry will be very greatly injured. Many of our people will either have to go out of business or have to reduce the wages of their employees—one or the other. I take it that my Democratic friends do not want either condition to come about. I am satisfied of that. I am sure I do not. What we should like—and we think you can justify it independently of protection—is to have you put a small tariff upon this product. You can say it is for revenue if you want to. You will not violate any of the principles of your platform by doing that. It will give us what you may call incidental protection, if you wish.

Mr. WILLIAMS. Call it anything.

Mr. JONES. We are perfectly willing to call it protection and revenue together, because it will bring revenue, and it will bring protection to the people in our State and to this industry. As the Senator from Mississippi says, we will call it anything in order to get it, because we want to preserve at least the present condition of the shingle industry and prevent its demoralization.

This means a great deal to other people in our State as well as to those actually engaged in the shingle industry. As I pointed out a while ago, there are about 60,000 people in the State dependent upon this industry. Of course you do not think

the industry will be injured. I hope it will not be, but our people think it will be. We are afraid it will be, and judging from the facts as they exist we can not help believing that it will be injured. If it is, and these men are thrown out of employment, they will go into something else, possibly into agriculture. In that event they will make more competition for the farmers of our State, and they will also deprive the farmers who now supply the mouths of 60,000 people with their farm products of that much market. So the people in eastern Washington and other parts of our State where the shingle industry is not located are interested in the preservation of this industry just the same as the people who are actually engaged in it. These 60,000 people now are splendid customers for the products of the eastern Washington farm. I want them to continue so. They will not if they are thrown out of employment, and our farmers will suffer and not get their shingles any cheaper either.

I have taken more time on this matter than I intended to take, and more than I ought to take. I could point out the benefit the shingle man is in conserving the forest, but I will not take the time to do so. What I have said is enough to show the justice of this amendment. My State needs this industry. With millions of capital employed, millions paid out in wages, thousands of men employed, and many more thousands dependent upon the industry, we can appreciate and realize what it means if it is very seriously injured. We are very fearful that it will be. We think you could justify a small tariff upon the ground of revenue. Give us the benefit of it. Remove the fear we do not like even to express by making a fair reduction instead of taking it all off at one fell sweep.

I have offered an amendment that places the tariff at 40 cents a thousand. That is a reduction of 20 per cent. It leaves the tariff less than 20 per cent. Certainly that is a small enough duty for revenue. I have heard it suggested in regard to several propositions in this bill that 20 per cent, or 25 per cent, was nothing more than a tariff for revenue. We do not ask for any more than that. It will help us in our State. It will aid this industry, and it will bring revenue to the Government.

No Democratic principle, no Democratic theory, will be violated by the adoption of this amendment; but if it is not adopted it may violate the proposition in your platform where you say that in making these reductions you propose to make them in such a way as not to injure any legitimate business.

This is a legitimate industry. You take off all the tariff, notwithstanding the fact that it was raised four years ago. You may not think the increase then was necessary; but whether it was necessary or not, in accordance with the declarations in your platform, conditions have grown up under it, and to wipe out all the tariff, it seems to me, will inevitably injure the industry; it may do it any way, and you ought to err on the safe side and in the interest of a legitimate industry.

Mr. JOHNSON. Mr. President, before the question is put I wish to read into the RECORD a statement of the imports and the production of shingles in this country for 1912.

I find in the handbook which I have before me that we imported in the year 1912 shingles of the value of $1,194,113.88. In the year 1910, which is the year for which the production is given, we produced $30,262,462 worth. So that our imports are about 3 per cent of the production in this country.

In line with the policy of the Democratic Party of placing upon the free list articles of extensive use, necessities of life, we have placed lumber on the free list—a thing that some of the extreme protectionists have said should first go upon the free list, because it is one of the things which men first need to shelter them. We have placed different articles, such as sawed boards, clapboards, logs, and different varieties of lumber upon the free list, and in accordance with that policy we have also placed shingles upon the free list.

Only a small part of the shingles imported into this country are imported at Puget Sound. A great many are imported at the port of Bangor, in my own State, and also in Vermont. They come into the New England States because the depletion of our forests and the lack of access to the cedar which is needed for the shingles compels us to go elsewhere, and to open up other fields in order to supply ourselves and meet the ever-increasing demand.

For this reason we have placed shingles, with other articles, upon the free list. No reason occurs to the committee why any exception should be made of shingles, or why they should be treated differently from other kinds of lumber.

Mr. JONES. Mr. President, I have here resolutions adopted by the labor organizations in my State. I will say that these resolutions were adopted, not this year, but in 1909. They urge an increase in the then rate. I will say frankly to the Senate that I have not received a single resolution from any labor organization of the State this year protesting against putting shingles on the free list. Possibly there are local conditions that account for that. I do not know. I wish to say, however, that it has been a surprise to me that labor has not manifested any interest in this matter, because if I thought labor would not be benefited by retaining the tariff I should not be in favor of retaining it. In my judgment, practically the only justification for a protective tariff is the benefit it brings to labor. As I say, there are local conditions which possibly account for the fact that they have not sent in resolutions this year.

These resolutions were sent in with reference to the proposal to raise the tariff under the Payne-Aldrich bill. I ask that they may be printed in the RECORD, because I believe they reflect the sentiment of labor now, together with other letters which I desire to send up, and also the table of prices from which I read part of the figures.

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

The matter referred to is as follows:

SEATTLE, WASH., *April 29, 1913.*

BOARD OF TRUSTEES,
New Chamber of Commerce.

GENTLEMEN:

Whereas because in the consideration of the proposed reduction of the present duty of 50 cents per thousand on shingles the following facts should influence any decision in the matter:

That 78 per cent of the shingles manufactured in the United States are manufactured from cedar in territory adjoining the Canadian border and under conditions not as favorable as those enjoyed by the manufacturer of cedar shingles in adjoining territory immediately across the line;

That 65 per cent of the shingles manufactured in the United States are manufactured in the State of Washington;

That there are 375 shingle mills in the State of Washington, which give employment to about 15,000 men, with an annual pay roll of $7,500,000;

That there is invested in shingle mills in the State of Washington $4,154,000; the estimated investment in logging camps that supply these mills is $1,463,998, and an estimated investment in timber that supplies these shingle mills of $10,471,446;

That 16 per cent of the timber manufactured annually in the State of Washington is cedar and that 80 per cent of the cedar can be utilized only in the manufacture of shingles;

That the mills of Washington can and always have been able to supply the demand for shingles, and that they have never been able to operate steadily throughout the year because the market would not absorb their output;

That shingle mills are owned and operated principally by men of small means; the records of the business show that the manufacturing of shingles has never been very profitable; the admission of shingles into the United States without the duty of 50 cents a thousand would work a hardship on the small operators and cause a waste of standing timber; with the duty entirely removed it would practically put the shingle men out of business, as the immense holdings of cedar timber north of the Canadian line and the conditions under which it can be shipped into the United States are such that the manufacturers here could not compete in a market that is already oversupplied;

That should the shingle industry of this State be destroyed 12.8 per cent of the cedar timber that is now manufactured into shingles in the State of Washington would be burned up and wasted; as the cedar trees grow among the fir, one can not be logged without destroying the other;

That the United States Government owns 81,600,000,000 feet of standing timber in the State of Washington, including fir, cedar, hemlock, and spruce; the elimination of the tariff on cedar shingles will render 12.8 per cent of the Government's total timber holdings in this State valueless;

That since the duty has been 50 cents a thousand British Columbia mills have been kept out of the market. When the duty was 30 cents they shipped into the United States about 5,000 cars of shingles annually. Should the duty be entirely removed this volume would be increased threefold. Foreign capital and foreign labor would reap the benefit and our people would suffer;

That with the shingle industry of the State of Washington destroyed our market would be subject to the control of Canadian operators. Combinations to control markets are not forbidden in Canada. Hence, the consumers would be subject to the price fixed by any combination that might be formed;

That with the opening of the Panama Canal British Columbia manufacturers will be in a position to ship shingles to our Gulf and Atlantic seaports in foreign vessels while according to our laws we will be compelled to use American vessels;

That the freight charged by such foreign vessels will undoubtedly be less than the freight charged by our American vessels, in this way giving the manufacturers of British Columbia an additional advantage over us. That the Dominion Government prohibits the export of logs cut from provincial lands and places an export duty on all logs cut from Crown grant lands, by that means increasing the cost of logs to our American mills as compared with the cost of logs to the Canadian mills;

That the elimination of the duty on shingles will therefore give the British Columbia manufacturers a very decided advantage over our American manufacturers, which advantage is given them largely by our own laws: Be it therefore

Resolved, That the board of trustees of the Seattle Chamber of Commerce is unalterably opposed to any reduction in the present duty of 50 cents per thousand on shingles, which duty is absolutely essential to the life of the shingle industry in the United States.

Resolutions presented by special committee consisting of John McMaster, J. S. Brace, Lewis Schwager, and adopted by board of trustees Seattle Chamber of Commerce, Tuesday, April 29, 1913.

Quotations on shingles.

	Clears.	Stars.
1908.		
January	$2.60	$2.00
February	2.60	$2.25 to 2.30
March	1.80	1.40
April	$2.10 to 2.20	1.75 to 2.20
May	2.45	1.95
June	1.80	1.50
September	2.15	1.80
October	.....	1.85
November	.....	1.75
1909.		
January	2.15	1.75
February	.....	1.95 to 2.00
March	.....	1.85
April	.....	1.80
July	2.10 to 2.15	1.75
August	2.15 to 2.25	1.75
September	2.30 to 2.35	1.85 to 1.90
October	2.20	1.65
November	2.05 to 2.10	1.65 to 1.70
December	2.05	1.65
1910.		
January	2.15 to 2.20	1.75 to 1.80
February	2.20	1.75
March	2.20	1.80
April	2.20	1.80
May	2.10	1.75
June	2.15	1.80
August	2.10	1.70 to 1.75
September	2.00 to 2.05	1.60 to 1.65
October	2.00 to 2.05	1.60 to 1.65
November	.....	1.60
1911.		
January	1.90	1.60
February	2.00	1.70
March	2.10	1.70
April	2.00	1.65
May	1.95	1.55
June	1.90	1.50
July	1.95	1.55
August	1.95	1.55
September	1.93	1.50
October	1.85	1.45
November	1.85	1.45
December	1.85	1.50
1912.		
January	1.75 to 1.80	1.40 to 1.45
February	1.85	1.50
March	1.85	1.50
April	1.91	1.60
May	1.93	1.60
June	1.95	1.60
July	1.95 to 2.00	1.65
August	2.20	1.85
	2.50	2.10
September	2.40 to 2.50	2.25
October	2.30	2.15
November	2.00	1.60
December	2.15	1.70
1913.		
January	2.20	1.80
February	2.25 to 2.30	1.80 to 1.85
March	2.15	1.70
April	2.20	1.75
May	2.25	1.75
June	2.15 to 2.20	1.60 to 1.65
July	2.20 to 2.25	1.65 to 1.70

TACOMA, WASH., *April 29, 1913.*

Hon. WESLEY L. JONES, *Washington, D. C.*

DEAR SIR: In the matter of the proposed reduction in the United States import duty on shingles we wish to set forth some facts pertaining to the business for your information. We trust you will read this over carefully, as we feel sure that by so doing you will be convinced—if indeed you are not already—that it will be a grave mistake to remove or, in fact, in any way reduce the present duty of 50 cents per thousand on shingles.

In the first place, that part of the country that will be most affected by any action is the Pacific Northwest, including California. This for obvious reasons. The chief wood from which shingles are manufactured is red cedar, and this wood grows in a belt running north and south on the Pacific slope, from the Cascade Mountains to the ocean. This timber belt is heaviest in cedar in the State of Washington and the Province of British Columbia. Cedar also grows in Oregon, Idaho, and Montana, and in California shingles are manufactured from redwood. A Government report dealing with the 1910 cut of shingles in the United States says: "The quantity reported in 1910—12,976,362,000 shingles—is considerably smaller than in 1909, but greater than in 1908. Although a number of woods are used for shingles, over three-fourths of the total number manufactured during the three years were of cedar. The shingle output of the State of Washington in 1910 was about two-thirds of that of the country." From this it will be readily seen that any reduction in the present tariff will have its effect, most particularly upon the State of Washington. Therefore in setting forth facts regarding the shingle industry in the State of Washington we very fairly represent the industry as it will be affected by tariff changes.

The shingle mills in the State of Washington give employment to about 15,000 men, with an anual pay roll estimated at $7,500,000. There is invested in these shingle mills not less than $4,154,000. The investment in the logging camps which supply these mills with their raw material is $1,463,998. The estimated investment in standing timber at present is $10,471,446.

According to Government reports, there is standing in the State of Washington 391,000,000,000 feet of timber. Of this amount the Government owns 81,600,000,000, leaving a balance of 309,400,000,000 otherwise owned; that is, by the State and individuals.

The usually accepted estimate of the ratio of cedar as compared to the other woods is 16 per cent. On this basis we have 49,500,000,000 feet of standing cedar owned outside the Government holdings and 13,056,000,000 feet of standing cedar owned by the Government. It is usually estimated by experts that 80 per cent of all cedar timber can be utilzed only in the manufacture of shingles. Accordingly, we have 39,600,000,000 feet of timbed owned outside the Government that is valuable only as raw material for shingles, and likewise for the same purpose the Government owns 10,444,800,000 feet of cedar timber that can only be valuable when manufactured into shingles.

Now, while the Government reports credit the State of Washington with supplying two-thirds of the total consumption of shingles in the United States, it is a fact that at no time have the shingle mills of this State been able to run to full capacity, because the demand has not been sufficient to consume the possible supply. Should the mills of this State run to full capacity, they could easily supply the demand for shingles throughout the entire United States.

The shingle mills of this State are owned and operated principally by men of small means, and it is unfortunately true that the business has not been profitable. The cedar trees grow at random among the fir, and the one can not be logged without at the same time taking out the other or destroying it. The majority of men engaged in the shingle-manufacturing business to-day are in it from necessity and not from choice. While there has been any market for shingles owners of the timber have preferred to remove the cedar even at no profit, but, with no market for that class of timber manufactured into shingles, loggers in their operations in getting out the fir will leave the cedar in the woods, where it will be soon destroyed by fire or other causes. It should be clearly understood that unless the cedar is carefully felled at the time it is reached by logging operations it will either be destroyed by the operations or by fire. A cedar tree will burn whether standing or on the ground.

The Canadian manufacturer can purchase timber under arrangements unknown to this country, whereby he pays to the Canadian Government so much per thousand feet of timber as it is logged, and he need only take the best out of the woods. Besides these advantages must be considered the fact that upon the completion of the Panama Canal Canadians will be able to ship shingles by water to the eastern coast of the United States at a less rate than can our own manufacturers, on account of the recognized fact that foreign bottoms charter cheaper than our own and we are by our laws prohibted from shipping from an American port to an American port in anything but an American ship.

Therefore the removal of the present duty would practically put the shingle men of this State out of business, as the large holdings of cedar timber north of the Canadian line would immediately be opened up under such attractive conditions and an already over-supplied market would be flooded with a product against which our manufacturers could not compete.

This means that 12.8 per cent of all the timber, which amount now goes into the manufacture of shingles, would be burned up and wasted. This applies alike to Government and privately owned timber, and in the Pacific Northwest means a loss to the Government of approximately 57,000,000,000 feet of timber.

When the duty on shingles was 30 cents per thousand, Canadian mills shipped into the United States about 5,000 cars annually. Since the duty has been 50 cents a thousand, British Columbia mills have been kept out of our market. Should the duty be entirely removed the volume of Canadian shipments would increase to three times the amount of imports during the years of the 30-cent duty, or at least 15,000 cars per year.

If the removal of this duty meant cheaper shingles to the consumer and at the same time any sort of practical conservation, there might be merit in the proposition, but it must be remembered that Canadian operators do not operate under the laws of the United States, that they know no Sherman antitrust law, that combinations to control markets are not forbidden in Canada, according to our understanding; hence the consumers of this country would not in any way be benefited; but, on the other hand, foreign capital and foreign labor would reap the benefit, while manufacturers and laborers employed in the mills of this country would have to suffer.

In the above statements we have not overdrawn the facts, but have given you figures that represent the true state of affairs, and we invite and urge careful investigation into the authenticity of these statements. When you find what we have said to be true, we feel that in all justice to our own people, none of whom will be helped by the removal of the duty, but many of whom will be greatly injured, you will vote for the retention of the whole duty as it now stands and for no reduction in it whatsoever.

Yours, respectfully,

WEST COAST LUMBER MANUFACTURERS' ASSOCIATION,
By W. C. MILES, *Manager.*

THE QUEEN MILL CO.,
Edmonds, Wash., April 1½, 1913.

Hon. W. L. JONES,
Washington, D. C.

MY DEAR SENATOR: In behalf of the 10 shingle manufacturers of our little city, I beg to request you and your associates from our great State of Washington to do all in your power to retain the present duty of 50 cents per 1,000 on shingles. You are well acquainted with the conditions under which we are manufacturing shingles, but I will endeavor to refresh your memory on a few points in this line.

When we had a 30-cent duty Canada shipped into the States about 5,000 cars annually, and under the present duty has been practically cut out, and there has not been any advance on shingles on account of this increase, but, in fact, the competition among our own mills has lowered the price, and the dealer has been getting his shingles at practically cost of production for several years, and if we have free shingles we will be put out of commission; that is to say, us small manufacturers. I do not know of more than 3 mills out of the 10 here that

have declared a dividend in five years, and for me personally, with $20,000 in the business, I will have to sacrifice my site and get nothing out of my plant and quit the business, and lose nearly all my worldly possessions, and this is in a measure true of hundreds of us. We are the scavengers of the woods and use what will have to go to waste. If we are thrown in direct competition with British Columbia shingles and their oriental labor. We pay very high wages to our employees; they are from $3 to $3.50 for common labor and from $4 to $9 for skilled labor.

Should this duty be removed it would throw an untold number of men out of employment, or we would have to reduce their salaries about one-half to compete with British Columbia.

Shingle mills can be bought at present and under our 50 cents protection by the dozen for one-third the cost of the machinery alone; and what will it be if we get free shingles?

Knowing as you do the conditions under which we are laboring, we have no doubt you will do all in your power to retain the present duty on shingles.

I beg to remain,

Most sincerely, yours, B. F. WASSER,
President of the Queen Mill Co.

P. S.—If this would be of any use to the Hon. W. E. HUMPHREY, I would be pleased to have you submit it to him.

—

SEATTLE, WASH., *April 16, 1913.*

Senator WESLEY L. JONES, *Washington, D. C.*

HONORED SIR: Representing about 175 shingle mills, members of this association, we beg emphatically to protest against the placing of shingles on the free list, as we understand is proposed by the new tariff soon to be before the House.

At a hearing before the Ways and Means Committee and in debate in the House in 1909, when the Payne tariff was under discussion, the matter of the duty on lumber products was thoroughly ventilated. This was particularly true with regard to red cedar shingles, and the result of the hearing was that the duty on shingles was raised from 30 cents per thousand to 50 cents per thousand, where it now is.

The industry of manufacturing red cedar shingles, while a comparatively small one when compared with the commerce of the United States, is one of vital importance to our great State and particularly to that portion of the State lying between the Cascade Mountains and the Pacific Ocean. In that territory is manufactured each year about 65 per cent of the entire quantity of shingles manufactured in the United States. This proportion is undoubtedly increasing from year to year with the exhaustion of white cedar and the manufacture of cypress into various kinds of lumber products bringing larger returns. It is an industry employing about 15,000 men, furnishing a large market for supplies, and contributing largely to the welfare of our Commonwealth. It is an accepted fact that with the lumber and shingle industry prosperous, western Washington is prosperous, money is flowing into our banks, our merchants are flourishing, our people well employed and satisfied; with that industry languishing all business is stagnant.

There is no question of the ability of our mills to supply the demand for shingles in the United States. Never in the history of the industry have the mills been able to operate at full capacity on account of the fact that the supply would then exceed the demand.

There are unfortunately too many of us and competition is severe. The advance in duty has not raised the price of red cedar shingles to the retail yard dealer, on the contrary prices at the mills on red cedar shingles are lower to-day, and have been since 1908, than they were during the years 1906 and 1907 when the duty was 30 cents.

There are a number of reasons for the retention of the present duty or, at least, a considerable portion of the same on red cedar shingles. In British Columbia just to the north of us and working in the same belt of timber between the Cascade Mountains and the coast, there are a number of mills, and the timber is there to furnish material for a large number of additional mills. About 80 per cent of the labor employed in these mills is oriental, the Chinese, the skilled workman, and the Hindu, the common laborer, whose scale of living is not exactly on a par with our white labor, and we do not think that you would desire that our workingmen should live as they do. These wages are naturally considerably less than ours. Should we be compelled to compete with such labor?

The Washington mills are at present cutting a considerable quantity of cedar logs imported from British Columbia. Only a small portion of the British Columbia timber can be exported—that cut on Crown grant lands. On this there is an export duty of from $1 per thousand feet for No. 3 logs to $3 for first-quality logs. In addition to this there is a tow bill of about $1 per thousand for bringing these logs down to our mills on tidewater. The price of logs to the British Columbia manufacturers is based on what our American manufacturers pay, less the export duty and tow bill on Crown grant land logs and less than this for logs cut from nonexportable timber. This gives our neighbor to the north an advantage in timber of from $2 to $4 or from 20 to 40 cents per thousand shingles. The difference in labor cost will run about 10 cents per thousand, so that the present duty barely puts our manufacturers on a par with our British Columbia competitors.

Anticipating the placing of shingles on the free list a number of Americans have purchased large tracts of timber in British Columbia, expecting to operate there if the duty is removed. This accounts for the intense interest taken in the removal of the tariff by some lumbermen. When the cause is looked for it has usually developed that there was a good reason for their attitude from their standpoint.

A reduction or elimination of the duty on shingles will mean one of two things: Our manufacturers will be compelled to close their mills and seek new locations in British Columbia and our workmen will have to change their vocation or go to British Columbia for work, or our shingle weavers and our woodsman will have to accept wages in competition with the Hindu and Chinese labor to enable the Washington mills to compete with the British Columbia shingles.

You may ask why logs can not be procured as cheaply in Washington as in British Columbia, and why bolts can not be procured as cheaply and as good. The main reason lies, first, in the good wages paid our woods labor, and, second, in the fact that the timber is harder to get out each year—that near the railroads and near the coast is largely cut out and ranches and farms taking its place.

The British Columbia logger, we understand, is taking the cream of the timber only. He pays the Government only for what he cuts—the result, only the best logs and only the finest of timber is cut into bolts. With us the rancher clearing his land has largely kept himself in bread and butter from the sale of the shingle bolts he has cut from the down cedar on his land and from the tall stumps logged off years ago when the stumps were not cut as low down as now. This class of timber, while making good shingles, naturally costs more to cut up than the fine clear bolts of British Columbia and there is more waste, but it has been of almost inestimable benefit to our rancher and farmer in tiding him over the period when his land is being prepared for crops, and if you had ever attempted to clear logged-off lands in western Washington you would realize what a task that is.

The free list is supposed to contain largely raw materials. It may not have occurred to you that the value of the red cedar shingle placed on board the cars here in western Washington is largely labor. Stumpage is valued at from $1 to $2.50 per thousand for cedar, according to its accessibility. This means the raw material in 1,000 shingles is worth from 10 to 30 cents, the balance is labor—labor in the woods, labor in bringing the logs to the mills, labor in the mills manufacturing the shingles, and labor in the supplies used. The profit to the manufacturer is slight. Statistics will show a lamentable list of failures in the shingle-manufacturing industry. A profit of 20 cents per thousand to the mill owner would be deemed a splended return. Take 20 cents as the average raw material and 20 cents for the manufacturers' profit. This means about $1.50 to $1.75 that goes to labor and supplies, which are largely labor. There are few industries where the selling value is so largely labor. Why, then, should this industry be one singled out for the free list? Can wool or cotton or steel show so large a percentage of labor? We think not.

The CONGRESSIONAL RECORDS of 1907 and 1908 contain all the arguments needed to show our reasons for asking you to give us a chance out here in the West. To show you, however, that the labor situation has not changed since that time we are sending to Congressman HUMPHREY a series of photographs taken during March, 1913, at a number of different mills in and near Vancouver, British Columbia.

We feel that the present duty is reasonable and just, but if along with reductions in the tariff on other commodities our industry should stand its share, would it not be reasonable to reduce the tariff on shingles to 30 cents, practically cutting the present duty in half, and in this way carrying out the pledge of the great Democratic Party to the people?

Another thing should not be lost sight of, and that is that the British Columbia manufacturers have for the past two years had an ironclad combination. The consumption of shingles in Canada is divided up among the different manufacturers according to the number of machines which they have, and they are allowed to cut only their apportionment. Our laws will not permit of this. In this way they are getting for their 6/2 shingles in Canada more than we have averaged for our thicker 5/2 shingles in the United States. They have, however, been able to run only about half their capacity and are looking anxiously to the States to enable them to run full time, holding up their market on their own shingles in Canada and using our country as a dumping ground for their surplus. If such a calamity should occur as shingles being put on the free list, something should be done to prevent their using this country as a dumping ground, and if they should sell shingles in the States at less than their held price in Canada, a duty to cover such difference should be imposed.

On the opening of the Panama Canal we will be at a further disadvantage, as compared with our British Columbia neighbors. They will be able to use foreign bottoms, whose rates are always less than those of our American ships. The rates for foreign vessels are about 15 per cent less than for American vessels. You can readily see that this will give our competitors an additional 10 or 15 cent margin which they can use to cut us out of our own market.

If we are to compete on even terms, arrange so that our logs from British Columbia and other sources will cost the same, that our freights will be the same, that our labor cost be the same, and we will gladly withdraw opposition; but it is unfair to ask us to meet competition when we are handicapped by our own laws or the laws of neighboring countries which compel us to pay more for labor, more for raw material, and more for transportation. If we are compelled to meet British Columbia competition we should have the privilege of employing oriental labor and using foreign bottoms. This we do not want and do not ask for, but our fellow countrymen should not be handicapped by our own laws to the benefit of the foreigner.

Some of these things may not have been brought to your attention, and we would respectfully ask your consideration of this matter and hope you will lend your influence to help an industry which to the United States as a whole is a small one, but which is of material importance to our growing State.

Respectfully,

RED CEDAR SHINGLE MANUFACTURERS' ASSOCIATION,
F. A. TRAILL, *Manager.*

—

CLEAR LAKE LUMBER CO.,
Clear Lake, Wash, May 27, 1913.

Hon. W. L. JONES,
Senator, Washington, D. C.

MY DEAR SIR: I have no doubt that you have been and are doing everything in your power to aid the shingle manufacturers of this State in retaining the duty on shingles shipped into the United States. The company which I represent is a large manufacturer of shingles. We expect to cut this year almost 150,000,000 shingles. We employ in our shingle mill alone about 60 men, with a monthly pay roll of $7,500. In addition to these men an equal number are employed in the woods getting out the timber for the shingle mill, with a pay roll equal to the one in the mill itself. If the shingles from British Columbia are permitted to come into the United States free of duty, I have not the slightest doubt that it will mean a period of stagnation running over from one to three years, with possibly a large portion of these men thrown out of work. It will mean at the very least a material reduction in their wages and a very great disturbance in industrial conditions in this State.

If you find, when the matter finally comes to the point of being decided, that the duty can not be retained, I hope that you will do everything you can to place a duty at least upon shingles and lumber exported to this country from British Columbia. This would be only a matter of fairness, since they place on any raw material exported from British Columbia an export duty. The duty on their material shipped into this country would have the effect, in my opinion, of removing this export duty on logs. If we could have their logs to cut up here in the State of Washington it would be a very material help to us.

I wish to thank you at this time for the very good work you have done so far on this case, and to advise you that the lumbermen here certainly appreciate the efforts that you have made in our behalf.

Very truly, yours,

F. H. JAENSON.

—

TACOMA, WASH., *April 22, 1913.*

Hon. Senator W. L. JONES,
Washington, D. C.

DEAR SIR: Reference tariff on shingles. You perhaps are aware of the shingle situation in this State. For the past five years there has been practically no profit whatever in the manufacture of shingles, and in the meantime the British Columbia shingles have been selling in competition with us and paying 50 cents per thousand duty.

The question before us now is, What is going to happen to our shingle investments providing this duty of 50 cents is eliminated? The cost of shingles, as you are aware, is greatly made up of labor. In British Columbia they use oriental labor almost exclusively, which gives them a considerable advantage in the cost of manufacturing, as we are up against the Shingle Weavers' Union.

In addition to this, the Government stumpage in British Columbia on a license or Crown grant is from $2 to $2.50 per thousand board measure cheaper than ours. Under the circumstances you can readily see how and why they compete with us now and where we would be at if they did not have to pay this 50-cent duty.

A friend of mine, Mr. Stevens, of the Steavens-Eaton Co., New York, visited me yesterday, and I asked him if he had been selling many British Columbia shingles this past year or two, and he said that they represented 85 or 90 per cent of his sales of shingles, and with the duty off there would be no doubt but that his entire sales would be British Columbia shingles.

In addition to this, the matter of free tolls enters in. Granting that the British Columbia shingle manufacturers can produce shingles at a far lower cost than we, if they have free tolls through the canal or on the same basis as ours, and we are forced to use American vessels, while they, of course, can use vessels of any nation of the world, the benefits of this canal, for which we have all paid our share, are absolutely nil. This is not only true in the shingle business, but it is true in the lumber business, and unless American ships are granted free tolls we can not expect to compete with British Columbia, and the benefits of this great canal will pass off us like "water on a duck's back."

These are two very important questions to the States of Washington and Oregon in our estimation, and I sincerely hope that you will do your utmost to bring these points out to your friends in Congress and in the Senate and endeavor to protect us. I assure you we will appreciate it.

Thanking you very kindly in advance, we are,

Yours, very truly,

TACOMA & EASTERN LUMBER CO.,
By E. W. DEMAREST, *Manager.*

—

PACIFIC COAST SHIPPERS' ASSOCIATION,
OFFICE OF THE SECRETARY,
Seattle, Wash., April 22, 1913.

Hon. W. L. JONES,
Senator from Washington, Washington, D. C.

DEAR SIR: The International Shingle Weavers' Union of America will of course be vitally affected if duty is taken off of Canadian shingles. They are of course very busy with the strike and nothing much can be gotten out of them, but for your information I find by the CONGRESSIONAL RECORD that they sent a telegram during the former hearing under date of April 26, 1909, to the Congressmen in Washington, D. C., at that time, and their message reads as follows:

SEATTLE, WASH., *April 26, 1909.*

To the CONGRESSMEN,
Washington, D. C.:

Having in mind the welfare of the wage earners of the shingle industry, whose standard of living and morals are seriously impaired by competition with Asiatic labor, we most earnestly appeal to you to use every honorable method to secure additional tariff on shingles, that our industry may be saved to white workmen.

INTERNATIONAL SHINGLE WEAVERS' UNION,
C. J. FOLSON, *President.*
W. E. WILLIS, *Secretary.*

We also note that the president of the Shingle Weavers' Union wrote a letter as follows:

SEATTLE, WASH., *January 15, 1909.*

To the CONGRESSMEN,
Washington, D. C.:

I am sending you herewith copy of a set of resolutions which were passed at the recent convention of the International Shingle Weavers' Union of America. I am sure that you will do all that is possible to see that the facts recounted therein are presented where the most good will result.

Yours, very truly, J. C. BROWN,
President International Shingle Weavers' Union of America.

The resolutions read as follows:

"Resolutions adopted by the International Shingle Weavers' Union of America in convention at Olympia, Wash., January 4, 5, 6, 1909:

"Whereas during the past 10 years there has been a tariff of 30 cents per thousand on shingles imported by the United States;

"Whereas during all this time the imports of Canadian shingles into the United States have steadily increased—have doubled in the last few years—and in the years 1906 and 1907 reached the large total of 8,909 carloads, through which the wage loss to the white workmen in the Washington shingle industry amounted to approximately $1,000,000, or practically $40,000 per month;

"Whereas the shingle manufacturers in British Columbia are able to inflict this enormous loss on the wage earners in the Washington shingle industry through the employment of Asiatics, who compose 80 per cent of the working forces in the British Columbia shingle mills, and who accept a very much lower wage compensation and a very much lower standard of living than can the all-white labor of the Washington shingle industry;

"Whereas the white wage earners in the Washington shingle industry have better and higher conceptions of the industrial, social, hygienic, and moral well-being, and, realizing the ideals of their race and Nation, have trained themselves to conform to a standard of living in accordance with American ideas of American civilization;

"Whereas the increasing imports by the United States of Asiatic-made shingles of British Columbia constitute a menace to American institutions by driving white workmen out of the Washington shingle mills, depriving these workmen of the means to maintain themselves and families, thus lessening the amount of money available to farmers, merchants, and other business men in the United States;

"Whereas the wage earners in the Washington shingle mills have been forcedly idle nearly 12 months during the past 24 months;

"Whereas they are to a great extent engaged in producing shingles from fallen, fire-blackened, and other cedar that would be otherwise wasted and be a dead loss to the State and to the Nation;

"Whereas the first consideration of the United States Government should be the welfare of its own citizens; and

"Whereas it is understood that some misinformed people now advocate the reduction of the present tariff of 30 cents per thousand, which is even now an inadequate protection against Asiatic shingles made in British Columbia: Wherefore, for these reasons,

"We respectfully and firmly protest against any reduction of the present tariff, and we do earnestly and strongly urge all legislators to save the industry and to protect our necessary wage interest by fixing an adequate protective tariff against Asiatic-made shingles—a tariff of, preferably, 50 cents per thousand.

"*Voted*, That a copy of these resolutions be sent to each member of the Washington State Legislature, with the request that they memorialize Congress to grant the Washington shingle industry an adequate protective tariff of preferably 50 cents per thousand.

"*Voted*, That the Ways and Means Committee of the House of Representatives and United States Congressmen from shingle-manufacturing districts covered by the International Shingle Weavers' Union of America be furnished with copies of these general resolutions."

Yours, very truly,

F. D. BECKER, *Secretary-Manager.*

—

TACOMA, WASH., *April 12, 1913.*

Senator W. L. JONES,
Washington, D. C.

DEAR SIR: We are in receipt this morning of a circular from our Pacific Coast Shippers' Association, of which we are members, requesting us to write Members of Congress in regard to the duty of 50 cents a thousand on lumber.

We will say that we differ somewhat in this matter from the association and are not in favor of duty on steel, the breakfast table, or lumber. From an experience of something like 12 years in the lumber business we are satisfied that the duty is a scarecrow. Whereas possibly stumpage in British Columbia is somewhat less than in Washington and Oregon, the cost of logging on account of the very rough condition of the country more than makes up for the difference, and we venture to say that the cost of producing logs at the foot of the slip is more than the same in Washington. The mills in Washington have been shipping thousands of cars a month the last two or three years into British Columbia at a less price than the British Columbia mills care to manufacture the same.

The same thing applies on rolled oats, which we notice in the morning paper. Washington and Oregon are the greatest producers per acre of oats of any State in the Union, and there is no reason at all for any duty on this commodity.

This is the opinion of not only ourselves but of millions of other people that originally voted the Republican ticket up to 1912.

Yours, very truly,

WHEELER-REESE LUMBER CO.,
WELLES WHEELER, *Vice President.*

Mr. POINDEXTER. Mr. President, my distinguished colleague has very briefly pointed out how a moderate tariff on shingles would be entirely consistent with the theory of the party which is framing this tariff bill. I think he is entirely correct in that; and in that connection it seems to me that a moderate tariff upon shingles, considering the importance of the industry, particularly to the State of Washington, would be in harmony with this declaration:

The annual revenue, after paying current expenditures, pensions, and the interest on the public debt, should furnish a moderate balance for the reduction of the principal, and that revenue, except so much as may be derived from a tax on tobacco and liquors, should be raised by duties on importations, the details of which should be so adjusted as to aid in securing remunerative wages to labor and promote the industries, prosperity, and growth of the whole country.

That was the tariff platform of the Liberal Republican Party in 1872. It was expressly indorsed by the Democratic Party and adopted as the platform of the Democratic Party in that year.

It seems to me that it would also be in harmony with this declaration:

Knowing full well, however, that legislation affecting the operations of the people should be cautious and conservative in method, not in advance of public opinion, but responsive to its demands, the Democratic Party is pledged 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. From the foundation of this Government taxes collected at the customhouse have been the chief source of Federal revenue; as 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. * * * 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 this country.

That was the declaration of the Democratic Party in its platform of 1884.

It seems to me that a moderate tariff on shingles, say a reduction on the present tariff of 50 per cent, would be a pretty

substantial reduction and would also be in harmony with this declaration:

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.

That sounds like a Republican Party platform, but as a matter of fact it was the Democratic Party platform of 1888.

It is also in harmony with this principle:

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 principles we advocate by legislation that will not injure or destroy legitimate industry.

That is the Democratic platform of 1912.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Washington.

Mr. JONES. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence, I withhold my vote.

Mr. CHILTON (when his name was called). I transfer my general pair with the junior Senator from Maryland [Mr. JACKSON] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. McCUMBER (when Mr. GRONNA's name was called). My colleague [Mr. GRONNA] is necessarily absent. He is paired with the junior Senator from Illinois [Mr. LEWIS].

Mr. LEWIS (when his name was called). I am paired with the junior Senator from North Dakota [Mr. GRONNA], and therefore withhold my vote.

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS]. As he is absent from the Chamber, I will withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. BURTON]. I transfer that pair to the junior Senator from Oklahoma [Mr. GORE] and will vote. I vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent. He is paired with the junior Senator from Florida [Mr. BRYAN]. I will let this anouncement stand for the day.

The roll call was concluded.

Mr. REED. I am paired with the senior Senator from Michigan [Mr. SMITH], and therefore withhold my vote.

Mr. BRYAN (after having voted in the negative). I transfer my pair with the junior Senator from Michigan [Mr. TOWNSEND] to the junior Senator from Nevada [Mr. PITTMAN], and will allow my vote to stand.

Mr. BACON. I inquire if the senior Senator from Minnesota [Mr. NELSON] has voted?

The VICE PRESIDENT. He has not.

Mr. BACON. I withhold my vote. If he were present, I should vote "nay."

Mr. LIPPITT. I have a pair with the senior Senator from Tennessee [Mr. LEA], which I transfer to the junior Senator from Maine [Mr. BURLEIGH] and will vote. I vote "yea."

Mr. GALLINGER. I have been requested to announce the following pairs: The senior Senator from Delaware [Mr. DU PONT] with the senior Senator from Texas [Mr. CULBERSON]; the junior Senator from West Virginia [Mr. GOFF] with the Senator from Alabama [Mr. BANKHEAD]; the junior Senator from North Dakota [Mr. GRONNA] with the junior Senator from Illinois [Mr. LEWIS]; and the junior Senator from Pennsylvania [Mr. OLIVER] with the senior Senator from Oregon [Mr. CHAMBERLAIN].

The result was announced—yeas 21, nays 44, as follows:

YEAS—21.

Bradley	Dillingham	Page	Sterling
Brady	Gallinger	Penrose	Warren
Brandegee	Jones	Perkins	Weeks
Catron	Lippitt	Poindexter	
Clark, Wyo.	Lodge	Root	
Colt	McLean	Smoot	

NAYS—44.

Ashurst	Kern	Ransdell	Smith, S. C.
Bristow	La Follette	Robinson	Stone
Bryan	Lane	Saulsbury	Swanson
Chilton	Martin, Va.	Shafroth	Thomas
Cummins	Martine, N. J.	Sheppard	Thompson
Fletcher	Myers	Shields	Thornton
Hollis	Norris	Shively	Tillman
Hughes	O'Gorman	Simmons	Vardaman
James	Overman	Smith, Ariz.	Walsh
Johnson	Owen	Smith, Ga.	Williams
Kenyon	Pomerene	Smith, Md.	Works

NOT VOTING—30.

Bacon	Crawford	Jackson	Reed
Bankhead	Culberson	Lea	Sherman
Borah	du Pont	Lewis	Smith, Mich.
Burleigh	Fall	McCumber	Stephenson
Burton	Goff	Nelson	Sutherland
Chamberlain	Gore	Newlands	Townsend
Clapp	Gronna	Oliver	
Clarke, Ark.	Hitchcock	Pittman	

So Mr. JONES's amendment was rejected.

Mr. JONES. I desire to offer the amendment so as to read 25 cents per thousand instead of 40 cents. I simply desire to say that that is a reduction of 50 per cent, or 5 cents below the Dingley law. On this amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I am paired with the Senator from West Virginia [Mr. GOFF]. If he were present, I would vote "nay."

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the junior Senator from Nevada [Mr. PITTMAN], and vote "nay."

Mr. CHAMBERLAIN (when his name was called). In the absence of my pair, the junior Senator from Pennsylvania [Mr. OLIVER], I withhold my vote.

Mr. CHILTON (when his name was called). I desire to make the same announcement as to my pair and its transfer that I made on the former vote. I vote "nay."

Mr. LIPPITT (when his name was called). I again transfer my pair with the Senator from Tennessee [Mr. LEA] to the junior Senator from Maine [Mr. BURLEIGH]. I vote "yea."

Mr. McCUMBER (when his name was called). On account of the absence of my pair, the Senator from Nevada [Mr. NEWLANDS], I withhold my vote.

Mr. THOMAS (when his name was called). I make the same transfer as before and vote "nay."

The roll call was concluded.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Montana [Mr. WALSH], and vote "nay."

Mr. CLARKE of Arkansas. I desire to know whether the junior Senator from Utah [Mr. SUTHERLAND] has voted.

The VICE PRESIDENT. He has not.

Mr. CLARKE of Arkansas. Then I will not vote, being paired with that Senator.

Mr. BACON. I again announce my pair with the senior Senator from Minnesota [Mr. NELSON]. In his absence I withhold my vote. If he were present, I should vote "nay."

Mr. WEEKS. I have a general pair with the Senator from Kentucky [Mr. JAMES]. If he were present, I should vote "yea."

The result was announced—yeas 22, nays 42, as follows:

YEAS—22.

Bradley	Dillingham	Page	Stephenson
Brady	Fall	Penrose	Sterling
Brandegee	Gallinger	Perkins	Warren
Catron	Jones	Poindexter	Works
Clark, Wyo.	Lippitt	Root	
Colt	Lodge	Smoot	

NAYS—42.

Ashurst	La Follette	Reed	Smith, S. C.
Bristow	Lane	Robinson	Stone
Bryan	Martin, Va.	Saulsbury	Swanson
Chilton	Martine, N. J.	Shafroth	Thomas
Cummins	Myers	Sheppard	Thompson
Fletcher	Norris	Shields	Thornton
Hollis	O'Gorman	Shively	Tillman
Hughes	Overman	Simmons	Vardaman
Johnson	Owen	Smith, Ariz.	Williams
Kenyon	Pomerene	Smith, Ga.	
Kern	Ransdell	Smith, Md.	

NOT VOTING—31.

Bacon	Crawford	James	Pittman
Bankhead	Culberson	Lea	Sherman
Borah	du Pont	Lewis	Smith, Mich.
Burleigh	Goff	McCumber	Sutherland
Burton	Gore	McLean	Townsend
Chamberlain	Gronna	Nelson	Walsh
Clapp	Hitchcock	Newlands	Weeks
Clarke, Ark.	Jackson	Oliver	

So Mr. JONES's amendment was rejected.

Mr. GALLINGER. Mr. President, I have an inquiry to make that may save time, and I am extremely solicitous to save time in the further consideration of the bill. If my inquiry is not answered, I might feel when the bill gets into the Senate like offering some amendments.

First, I will ask the chairman of the Committee on Finance if he has given any further consideration to the duty on granite? The Senator from North Carolina, when it was up before, said he had heard no complaints. I have a very urgent complaint from the Salisbury, N. C., branch of the Granite Cutters' Inter-

national Association of America, transmitting a copy of a letter that was sent to the distinguished chairman of the committee.

Mr. SIMMONS. The Senator understands perfectl, well that it is not possible for me to read everything that is sent to me as chairman of the Finance Committee. I did not mean to say that no such communication had come to the committee. I will state to the Senator that my plan of dealing with this matter when these communications came to me has been that by my direction my secretary sends them to the subcommittees having charge of the subjects under consideration.

Mr. GALLINGER. Oh, I understand that. I am not complaining at all. The only purpose of my question was to ask the Senator if there is any possibility of having the committee look a little further into the matter.

Mr. SIMMONS. I think, Mr. President, we very thoroughly discussed that particular question and passed upon it, and I know of no disposition to reconsider it.

Mr. GALLINGER. If it is foreclosed, that ends the matter and answers my interrogatory.

Now, Mr. President, one other matter. I have forgotten what Senators constitute the subcommittee on Schedule C, Metals and manufactures of. I want to make a little inquiry about one item in that schedule. If the subcommittee will honor me with their attention, paragraph 137 relates to the duty on needles of various kinds.

I think it is safe to say, Mr. President, that in all previous tariff bills—I feel sure I speak advisedly—latch needles have been differentiated from the others and given a little higher duty. They are now in this bill, thrown in with all other classes of needles, and the duty of 25 per cent allowed by the House was reduced to 20 per cent by the Senate committee, and that has been agreed to. I made my protest and was voted down.

I should like to say to the subcommittee that I wish they would give the matter a little further consideration in their moments of leisure, if they ever have any, and I apprehend they have not many, with a view of seeing whether they could not, following precedents, take latch needles out of the list of the others and give those needles a duty of 30 per cent ad valorem. The present duty I think is 60 per cent or more.

I simply call it to the attention of the subcommittee. If I hear nothing further from it, I shall have to be satisfied. If the subcommittee, after looking into the matter and finding that that particular class of needles, on which there is more labor, has been given heretofore a little higher duty, felt like carrying out my suggestion, I would be gratified.

That is all. I have said this for the purpose of saving time in the future consideration of the bill.

Mr. SIMMONS. Mr. President, this affords me the opportunity to read a letter which I received from Torrington, Conn., written August 12. I think that was a day or two after we had under consideration and discussion in the Senate this paragraph. During the course of his speech in favor of high rates upon the industries of Torrington, and chiefly, I believe, the manufacture of needles, the Senator from Connecticut [Mr. McLEAN] had something to say about the probability of some of those industries moving their plants over to Germany, I think, or to Canada, possibly; I do not remember which. The letter I have is from Mr. Thomas A. Carroll. Of course, I do not know him. It is directed to me as chairman of the Committee on Finance, dated August 12, 1913. I will read only an extract from it. He says:

> DEAR SIR: As a constant reader of the CONGRESSIONAL RECORD I found much that displeased me with the impression GEORGE P. McLEAN, of this State, sought to give your body when the tariff on needles was being discussed. He referred to the speech delivered by Congressman UNDERWOOD at Waterbury and drew a vivid picture, as I understand it from the RECORD, of many needle workers from Torrington being in the audience, drinking in the tariff wisdom of Congressman UNDERWOOD, taking it for political gospel, being converted to the Wilson cause, and then going back home and voting the ticket on election day that put President Woodrow Wilson, Democrat, in office.
>
> Unfortunately—and I sincerely hope that it is for the last term—both United States Senators from Connecticut are Republicans. They are about the only calamity howlers from the Nutmeg State that I know of at the present time. Business at the Excelsior Needle Co.'s plant here, of which Senator McLEAN appears to be so solicitous, was never better, and the folly of the statements on his part that the business will have to be removed to Germany if the tariff is lowered is evidenced from the fact that at the present time a large addition is being built to this needle factory. Similar conditions obtain at the plants of the Standard and Progressive companies, both of which, like the Excelsior Needle Co.'s factory, are affiliated with the Torrington company.

There is more of the letter, but that is all I desire to read.

Mr. LEWIS. Mr. President, I should like if one of the pages could inform the Senator from New York [Mr. ROOT] that I desire to make some references to his observation as delivered by him this morning. He went out of the Chamber, and I do not like to speak concerning his remarks during his absence.

Mr. GALLINGER. While the Senator is waiting I want to add just a sentence, if the Senator from North Carolina [Mr. SIMMONS] will permit me.

I know nothing about the Torrington factory at all. We have, I think, seven or eight needle factories in New Hampshire. Some of our most prominent men are connected with them in one way and another, some Democrats and some Republicans, and they are all very solicitous about this particular item. All I have asked is that it be looked into a little further, and whatever the conclusion is will not satisfy me, but under stress, of course, I will have to accept it.

Mr. BRANDEGEE. In connection with the matter that the Senator from New Hampshire [Mr. GALLINGER] and the Senator from North Carolina [Mr. SIMMONS] have just been discussing, I wish to interpolate a word, if the Senator from Illinois will allow me.

Mr. LEWIS. Yes; I yield for a moment. I do not yield the floor.

Mr. BRANDEGEE. Oh, no. I will not take over a minute.

The Senator from North Carolina [Mr. SIMMONS] has referred to some statement made by my colleague [Mr. McLEAN] the other day in relation to the needle business in Torrington, in my State. I will say that my colleague at present is absent from the floor, attending to his duties as a member of the Banking and Currency Committee, which is having a hearing upon pending legislation.

As regards the situation in that business, I read from a letter signed by C. B. Vincent, secretary of the Excelsior Needle Co., of Torrington, Conn., which is the company to which the Senator referred. He states:

> We are inclosing a brief on sewing-machine needles such as we submitted to the Ways and Means Committee. We think that this brief was not published as submitted, as we asked that some paragraphs be left out, we believing that it would injure us to give our costs so in detail to our foreign competitors, and we should like to ask that you do not allow these figures to get out for publication.
>
> The Ways and Means Committee made the duty 25 per cent, a reduction of $1 per thousand. The Finance Committee of the Senate have changed the already low 25 per cent to 20. This is a serious matter to us and we wish that if there is any way you can help us to at least retain the 25 per cent as fixed by the Ways and Means Committee, you will do so.

I simply put that into the RECORD to show that while the gentleman who signs the communication to the Senator from North Carolina, whose name I did not catch, and about which I do not care anything——

Mr. SIMMONS. I will give the name to the Senator again: Thomas A. Carroll.

Mr. BRANDEGEE. I will say in passing that I think the president of the company is probably a better judge of his own business and of the proceedings of the company than the gentleman who expressed his political views to the Senator from North Carolina.

Mr. SIMMONS. I have no doubt that is so. Mr. Carroll writes a very intelligent letter, but I am sure that the president of the company knows more about the business than he does, and he is showing his confidence in the future of the business not by preparing to move his plant to Germany, as was suggested, but by doubling its capacity, if the statement of Mr. Carroll is true.

Mr. BRANDEGEE. I have no doubt that he relied upon the promises of the Senator and his President and his party that they would not hurt his legitimate business, and he started an addition which he no doubt very much regrets at present.

Mr. SIMMONS. He has had three or four months in which to stop it if he is going to move to Germany. There is no reason why he should continue to build if he is going to Germany.

Mr. LEWIS. I have the floor.

Mr. BRANDEGEE. I do not wish to trespass upon the time of the Senator from Illinois at any further length.

Mr. LEWIS. Mr. President, I am emboldened at this moment to make some observations concerning the views of the senior Senator from New York [Mr. ROOT], just expressed by him, upon a feature of the income tax—the exemption.

I was particularly attracted, Mr. President, by the allusion of the distinguished Senator to what he feared was an invasion upon the right and privilege of the States to protect themselves in the matter of their income, also as to the application of their incomes to their own need. The Senator was concerned as to the States maintaining their power and right to levy a tax within the State to obtain the income for their home uses. As I listened to him I was strongly impressed with the wisdom of Thomas Jefferson's observation that "an often recurrence to fundamental principles is salutary and preserving."

The distinguished Senator from New York addressed his observations to that theory of government which the men of the

school of politics such as I adopt, c: g themselves Democrats, have ever advocated as essential to the real preservation of the theory of this Republic. That is the right of home rule in the States—the defeating of any attempt or power of the National Government to invade the precincts of the States and by presuming upon an assumed privilege of national authority prevent the local government from exercising its privilege and rights within those constitutional guaranties which the founders of our Government intended it should enjoy. I was particularly attracted by the distinguished Senator—recognizing his eminent ability and paying great tribute to his skill as a lawyer and his experience as a statesman—in warning the Democracy—turning to this side of the House—of how it was on the eve of permitting a measure to pass in this body which would not only invade the privileges of the States, but destroy their local autonomy—and greatly distress the State of New York—by its audacious intrusion.

Mr. President, I join with that distinguished statesman from New York in not only expressing the fear of such approach, but I go one step further, and denounce the evil of its present existence; but I am compelled to remind the distinguished Senator from New York that if any man should ask me as a fellow American to what source I would charge this new growth of centralism and centralization—this encroachment upon the States to which he alludes; I would be compelled to turn to the distinguished Senator from New York and in the accusation of the humble shepherd in Israel to the King say: "Thou art the man."

I can not forget, nor should this country forget, that at a time when a constitutional lawyer might have been prudent to guard the relative functions between the States and the Nation there arose in this country, in a national administration which was then in power, a general tendency to override both the privileges and the rights of the States; this to accommodate itself to the mere expediency of politics on the one hand and to gratify the hue and cry of multitudes on the other. Sir, I recall that it was the distinguished Senator from New York who, in a very eloquent address—characteristic of the ability that ever attends his utterances—at a state dinner of the Pennsylvania Society in the Waldorf-Astoria Hotel—struck a new keynote in the pursuit of the policy of his then chief, then President of the United States, Mr. Roosevelt. It was the doctrine asserted just previously by President Roosevelt at the laying of the corner stone of the capitol at Harrisburg, Pa. In the wake of this utterance threatening the existence of the States as sovereign bodies, the distinguished Senator from New York at the Waldorf gathering said, "As the States will not do their duty, and because they will not do their duty"—the Senator measuring that duty by the standard of the distinguished Senator and his distinguished chief—"the National Government must step in and do it for them."

Thus the people of this country were educated to the theory that wherever a State had large riches, such as New York; bountiful wealth, powerful men, eminent politicians, financial jugglers and acrobats of honesty, the State is assumed to be unable to control itself. According to the idea then put forth to the multitude all this was due to the fact that the State would not control itself. Then and there the people were educated by the Senator that it was then the duty of the National Government to step in, administer the punishment, and inflict the chastisement on the State and pluck the merely well to do because of the State's failure to act as certain interests demand.

Mr. ROOT rose.

Mr. LEWIS. I see the Senator from New York rises. I dare say he desires me to yield for an interruption. I do so at once.

Mr. ROOT. I feel humiliated, Mr. President, by the revelation of the fact that the Senator from Illinois never read the speech to which he refers. I said no such thing as he has put into my mouth; I thought no such thing. I never said any such thing anywhere on any occasion, and I never shall. What I said in the speech to which he refers before the Pennsylvania Society was to put the question "How can the States preserve their local self-government?" and to answer the question by saying, "They can preserve their local self-government only by performing the duties that rest upon them." To that I stand, and I think I always shall stand.

Mr. LEWIS. Mr. President, the distinguished Senator from New York says he feels humiliated. I can readily understand how now, upon a sober sense and upon a calm reflection, he would feel a sense of humiliation as to many utterances of his; but as to that one in particular, and the effect it has produced upon the country. I naturally realize that he would give a good deal could it be recalled. I remind him that the utterance to which I now allude was made at the Pennsylvania Society dinner by him, while the latter part of his utterance which he now presents as a qualification of the evil to which I have alluded was not made by the distinguished Senator at the dinner at the Pennsylvania Society. I remind the Senator that the latter portion quoted by him was uttered when he sought to correct the evil of his first offense and escape the penalty. This was when he assured the people of New York that his point of view was not any longer such as had been indicated in the Waldorf speech. This correction was in his able utterance when accepting the election to the Senate from the Legislature of New York. Upon the occasion of accepting his election by the Legislature of New York, was the latter part of the utterance expressed, although it might have been a duplicated one from a previous speech. I surely will admit that anything the distinguished Senator from New York may say is worthy of repetition, either by himself or from any other source; but I again say that of the speech to which I allude the distinguished Senator is conscious of the fact that all over the country this speech was referred to; it was printed in the public papers; and I now ask the distinguished Senator if in that speech he did not say that "if the States failed to do their duty, the National Government would have to do it for them"?

Mr. ROOT. No, Mr. President. I said if the States failed to do their duty the American democracy, which abhorred a vacuum in government, the National Government, would inevitably step in and do the duty that the States refused to do.

Mr. LEWIS. Exactly. Mr. President, it was immaterial where the Senator pleads guilty—whether it is on the first or the second count of the indictment, the judgment is the same. He admits that which I said he expressed was what occurred.

Mr. President, it is because I, knowing the Senator to be an eminent lawyer and statesman, both in matters of constitutional law and the theory of this republican Government, that I was surprised at the utterance then, and I saw that he was then planting the seed of a tree which ultimately grown he would have to draw his own ax upon, lest it should poison the very shade in which he must survive.

Now, what finds he? That the people took his teachings in the State of New York seriously, and throughout this country are demanding through the voice of Senators in this body that they shall carry out the very creed of the distinguished Senator, and inasmuch as New York has failed through her rich men to pay her proportion of taxes, and has allowed the personal-property taxes on her vast and unlimited millionaires to be less than the personal taxes paid in the lesser State of Wisconsin, cheating the public before the eyes of the Nation, swindling the citizenship before the honor of the country, and depriving the humble people of their right of proportion and their privilege of having the expenses of government borne by all to the extent of their possessions; there has sprung up in the land a sentiment of just such retaliation as forced itself over the Senate and over the doctrine of constitutional State and Federal demarcation demanding the very form of confiscatory punishment which the Senator rightfully inveighs against. They, the people, now demand that New York pay the penalty, either through the hand of the Federal Government on the one hand or the hand of the State on the other. As it has been observed that they will not obey the State law, but evade it by either failing to make their returns of taxation or committing perjury to cheat it; there was but one refuge, and that was to follow the advice of the distinguished Senator from New York; and when New York had failed to do its duty, for the National Government to step in and chastise them by doing it for them by levying any sum on New York that the "mob" on the corners, in the streets and alleys, demand.

The Senator alluded characteristically, with his wisdom, to the theory upon which this Government was established. He adverted to New Jersey and called attention to the part she played in the Constitutional Convention, where her statesmen demanded that the smaller States should have equal representation with the larger ones. But, sir, I take issue with much trepidation with the distinguished Senator on his construction of the objects of this demand. It was not merely for the reason that the States should have equal representation, but Mr. Paterson, of New Jersey, speaking on the subject, specifically urged as one of the very reasons for that claim that the local sovereignty of the distinct localities might be preserved, equally balanced one with the other in matters in which the sovereignty of the State was to exercise its function of government, and in the Senate be equal in vote to preserve its sovereign position.

Mr. President, we have seen much in these later days of this new theory advocated by the Senator. Lately the one that has gradually stolen upon this Nation, augmented by such responsible wisdom and from such an eminent source as the

distinguished Senator from New York, is designated national conservation. All around this Nation goes the impression that the time has at last come when States shall have no longer a sovereign existence, when there shall no longer be home rule, when within their precincts the States shall not be any longer permitted to control their own affairs by their voice and vote. This movement has increased to the embracing every conduct of the State from the regulation of railroad freight rates in the State and the municipal control of city utilities. Now the Federal court, as a disciple under the teachings of these brilliant masters—and before all others stands the distinguished Senator from New York—has seized the States and cities, figuratively speaking, in the clutch of its hands, dragging them into the Federal court, and, under the theory that the Federal Government has the right to suppress and control the State as its pleasure dictates, has through Federal court injunction paralyzed the construction of needed improvements in the State and city, restrained the officials of the city, county, and State governments, and denied to the local bodies the right of home rule. All this upon the theory that the Federal Government alone has the right to control the States as a body, and to direct the private affairs of the citizen of the State in his private concerns. So extensive has this vice of government grown that here in the Nation a school of gentlemen exists advocating the seizing of every Western State, and as it were, rolling it around their wrists, throwing it across their shoulders, and marching to New England and presenting the State as needing the wise men of the East as conservators. Under the theory of conservation they have locked up the resources of the West, paralyzed her industry, diminished her opportunity, discouraged her capital, and deprived her citizens, all without any regard to that fundamental doctrine which the distinguished Senator is right in now asserting, that within these localities, if there is to be preservation of the citizen in purely local affairs, let him be preserved by himself by his voice and vote; if there is to be conservation in the affairs of the State or the locality, let it be conserved by the law which is created by the ballot of the people in their home government.

The distinguished Senator may well take the suggestion from one of his colleagues in this Chamber, even though that be myself, that unless such as he shall raise his voice more frequently for this abandoned doctrine of democracy, unless there shall be a greater devotion to the Constitution and a larger degree of obedience to its spirit, the whole theory of home rule, State sovereignty, and local home rule within local precincts will all have been crushed out of existence, and there will overcome them the centralized power dictated from a Washington authority, stimulated by the sentiment of political favor to party or administration privileges to favorites. There will arise the creed proclaiming that what the Capital of Washington can not regulate shall be destroyed; what it can not punish shall be confiscated; that riches in new States is a crime and possession by industry treason.

It is the specific income tax against which the Senator inveighs. He reminded the Senate, if I did not misunderstand him, that his people were about to have inflicted upon them some great unparalleled blunder, some inexcusable offense. Said he, "My people are to be taxed. My people will have to pay the tax you levy." Who are the Senator's people? Do I gather from the Senator that only that distinguished brood of gentlemen who nestle around Wall Street are his people? Those who have amassed millions, then hid them in strong boxes, while they have escaped the responsibility of the ballot box? Are they only his people? Are they whose vast fortunes, maintained through perjury or evasion of law, have always escaped the assessor and dodged the tax collector—are they only his people, those who have millions of dollars? Are there no millions of poor and miserable in New York? Are those who, in humble homes and amid suffering, have been compelled to pay the taxes out of their wages, laid heavily upon them by the masters who would not pay their taxes and whose failure had to be made up by taking from the humble the deficiency in order that the expenses of the government of New York might be maintained—are they not his people? Has he no voice for them?

Why should the distinguished Senator from New York ask that his people, or, to paraphrase him, "my people," should be exempt? Sir, in this Government I will not assume that any one set of people have a right to say through the voice of any man, however distinguished or elevated, that others must contribute to their burdens and bear them. That because they have managed to attract in some way a glamour about their existence and grasped power with one hand and held the privilege of wealth with the other, must be exempted from bearing their burden and discharging their responsibility, all sir, because they are a great people in finance, a wonderful people in riches, and a shrewd and artful people in the mysterious manipulation of the thing called finance.

Why, then, sir, is this tax laid? My distinguished friend the eminent Senator who honors his seat in representing New York fails to realize or, if realizing, fails to note the real reason of the tax upon these incomes. Sir, speaking for Democracy, the object of levying a tax upon wealth is not because it is wealth. Such would be anarchy. I spurn it as a doctrine which no constitutional scholar of Democracy would accept under any conditions. Nor, sir, is it a tax on wealth because the men who have it are rich. That, I am told, is a species of socialism. I know such would violate the fundamental doctrine of a man's property having the right of protection and never to be taken from him without due process of law.

I say to the Senator that the theory of a tax upon such incomes is, as Adam Smith well put it, that they should bear the burden of the tax who draw the greater benefits from the Government in which they live. Sir, the tax is not put on incomes of wealthy men because they are able to bear it by reason of the mere volume of their wealth, but for the other reason, sir, that most large incomes from great fortunes are not earned by toil. They are not gathered by sacrifice. They are not garnered in agony. They are the results of the thing called interest, by which a man takes a fortune, however gotten by him, and lends it out in portions to others who may need to use it for such price as the owner may put upon it. It is upon the theory of this increment being unearned by toil, unearned by sacrifice, and undeserved often because of the character of men who possess it, that its levy is justified. An income tax is laid not to punish wealthy men, but in order that the other class of human beings who having no wealth are compelled to pay the general tax and bear the burdens of government may not be solely selected for sacrifice by the discriminating doctrine which has so long prevailed in government—that those who are helpless shall be hopeless against the power of privilege and taxation.

Thus, Mr. President, these incomes are laid hold of by the Democratic Party, through the constitutional doctrine of government, in order that the rich who have by privilege of government drawn to themselves these incomes may pay to the maintenance of government such proportion as the incomes bear to the needs of the country. And why? Why, Mr. President, there is a rumor in the air here and there, sometimes voiced by the distinguished Senator from Massachusetts [Mr. LODGE], whose erudite learning is always a source of joy and a tribute to the body in which he sits, that America broods for the moment in the shadow of serious conflict with foreign powers.

In such an hour, sir, if war should be declared in this country, whom will we find rushing to this Capital, through their emissaries, asking for the protection for their wealth by the bayonet and gun, demanding to be barricaded in safety by the lives of the sons of the Republic? Whom shall we see rushing to the Government asking that navies be put out to the waters bordering their possessions to protect them—demanding that they may be fortified with protection in every wise, safe against all assault?

It will be these delectable gentlemen who for awhile linger in America, absent from the polling booths, their names seldom seen upon the tax collector's list, while they flit from here to Europe, and there in their luxurious yachts or in speeding joy automobiles ensconce themselves along the Riviera in the Mediterranean in the winter or in the mountain fastness of pleasure resorts in the summer. These who contribute little to this Government and yet who would demand promptly that every man of the poor who could give his life—from the farm, the factory, and the mill—shall be summoned to die to save their wealth from the assault of those who intrude upon the Nation or threaten it with invasion. It is such as these who will be found crying for the navies with their gallant men to go out upon the broad seas with their batteries to save them and theirs. Yet, sir, shall it be said that the Senator's "people" shall not be taxed because, forsooth, they are able to pay and are his chosen people? Shall they be exempt because they will not be able to swear off the tax upon the one hand or swindle the collection of it on the other?

The time has not come, I say, speaking for myself, when the Democracy of this country will take any man's property because he is rich; but it will allow no rich man's property to escape its just burden because it is wealth and its owner powerful. The doctrine of Democracy, sir, is not that we make war against wealth for that it is wealth. The theory of Democracy can be well stated: We do not make illegal war against legal wealth, but we do make legal war against illegal wealth.

There we stand. If these privileged and superior gentlemen for whom the Senator elects only to speak are those who feel that they will have this Government to protect them, that they will have this Government to sustain them in the possession of their riches, that they will have this Government send its young sons to death to save them and their wealth, then, sir, I demand that they shall contribute to help to build the Navy, to maintain the Army, to save the honor of the Nation of which they are a part and many of them so little credit.

The Senator speaks of "my people." I would invite to his respectful consideration the fact that my observations through New York are those which would apply in any State of this Union. There is to be seen the burdened farmer bending over the ground in toil through the heat of the day, with his blistered hands and bowed body, striving for a mere existence. He pays his tax of from 100 to 200 per cent upon the mere necessities of life, ostensibly in order to maintain a Government, but really to give fortunes to those for whom the Senator speaks as "my people." There is the toiler in the mill, the man in the factory, and the slave in the workshop, all with small wages, all these being constantly reduced in their possessions and whose substance is being consumed for the mere privilege of living. This man he, too, pays the tax and also bears the burden of the tax that is evaded by those who are the Senator's "people." Why, then, shall not they the Senator's "people" be forced to pay a little out of that which they filch from others and assist to maintain the Government which protects their wealth which they now seek to have shielded and exempted from any responsibility?

The Senator says "my people" will have to pay the tax. What law is there here which specifically applies the income-tax provision to New York only? Where are there any people who will escape? The tax is paid by all those with incomes exceeding $3,000, whether they are in the imperial State of Illinois or the empire State of New York; whether in a State demeaned by the poor representation I may give my State or honored by the magnified position the distinguished Senator gives his. None escape. All, I say to the distinguished Senator, wherever they are, from ice-bound Alaska or the Tropical Zones of Porto Rico and the Philippine Islands. From the fields of toil, where they garner the grain in sadness; in the machine shops; in the factories, where the lives of little ones are ground out in order that from their sacrifices privilege may coin money for "his people." Sir, I answer, they are all *our* people. these poor and broken lives spent with toil, and it is for these I speak. It is for these all of us should speak.

New York is a great State. Her imperial magnificence I certify. The grandeur of her position in the Republic I am delighted to admit. The noble statesmanship evidenced by every declaration on the part of the distinguished Senator, that, too, I pay tribute to. But I can not permit the doctrine to go out that the Democracy is pausing for a moment to listen to the direction of the distinguished Senator from New York as to how "his people," limited by Wall Street in the daytime and the Waldorf-Astoria Hotel at nighttime or capering upon the shores of the distant seas of pleasure or amidst the allurements of the tropic isles, shall be exempted from the just burdens of taxation because, forsooth, these select few he has selected as only "his people."

As far as I am concerned, sir, I say that I can not see how such a doctrine can have place in a legislative hall where the doctrine is the law, just the law—that equal law that applies to all mankind. Mr. President, it is remembered that Sir James Mackintosh, in a very celebrated utterance, exclaimed in a certain great assemblage:

> My Lords, give me civil justice. With that, all things will be equal and just, and to all men. Deny it, and liberty will be deprived the humble, and not a crown in Britain safe from revolution.

No people, Mr. President—not the opulent State of New York, with its pretensions, nor any other—has a right to come into this Chamber through the voice of any man, however distinguished, and demand, because they are that which they assume to be superior, that they shall be exempt from paying their debts to humanity. If the people of New York have been enabled, by any manipulations of any legal policy or any machinations of financial trickery, to gather to themselves the money of the people throughout all the great West, for which I honor myself in speaking, and have been able through these means not only to amass it but to hide it within their coffers, far from the eyes of the tax-administering officers of the State law, then let them understand there will be a method obtained in this National Government by which it will be justly reached.

If the States have failed to do their duty, as the Senator well said in his splendid speech, lately referred to, no State has been more marked in that peculiar violation of Democracy than the State of New York. It was no doubt because it did fail to do its duty in collecting its personal tax that there arose just such sentiment throughout this country, crying out for the very retaliation against which the Senator now begs salvation. I join him in his now adopted theory of government. There is no hour in this country, under a constitutional government, when any true citizen can give his approval to the doctrine that merely because a man is rich he shall be assailed and his possessions taken from him by any policy or process of confiscation. There is no place in this land for creed or statesman whose theory is that because another man prospers he shall be destroyed. But, on the other hand, there shall not exist at any time when I am permitted to speak my protest any set of men, however high in their own imaginations or in the belief of their representatives, who shall demand and receive exemption from their responsibilities to citizenship, their duties to government, their contribution to the welfare of their Nation.

The Senator says this exemption of $3,000 means the exemption of all of the people in the West and putting the burden upon "his people." How can he so reason? There must be some form of exemption. Shall I assure the Senator that he did not pause in his usual judgment to reflect on the reason of that exemption? The exemption of $3,000 is not put in this bill in order to give a man $3,000; but since the Senator admits the equity of the principle that there should be an exemption, claiming $1,000 as proper, I answer him, then, if any exemption is equitable, the exemption should be just such an amount as is necessary to the purpose of exemption—the maintenance of the individual for mere living. This in order that he may not be doubly taxed. It is upon that great army of unfortunate citizens—unfortunate because of the great oppression that has been laid so heavily upon them; unfortunate because of the yoke that chafes on their shoulders; unfortunate because they have been subject to the obedience of such masters as the distinguished Senator refers to as "my people"—that taxation principally falls. They must pay upon their bread a bread tax, upon their meat a meat tax, upon their shoes the tax of the Shoe Trust, upon their garments the tax of the Woolen Trust. Upon their very existence they pay a double tax, and the exemption is made because of that tax that they must pay in so much greater proportion than the great wealthy, because the heavier tax seems to have been laid upon them. The theory is that those people should be exempt from this income tax in order that they may not be doubly taxed. First, the indirect tax on all their needs, by high tariff, making high prices; then on the wages coming in to pay the prices. It is not because they may have $3,000 a year that they are not taxed, any more than because the distinguished Senator's constituents having $3,000,000 a year they should be taxed. It is because all of the income up to $3,000 is consumed by the Government in the mere price of living.

Mr. President, I merely rose, observing that the distinguished members of the committee had other things to occupy their minds, and possibly not being drawn to the observation of the distinguished Senator. I arose to state a view of the Democracy, that the record may be set right; that the distinguished Senator from New York may not labor under the apprehension, however flattering to his soul, that he has frightened or humiliated this side by referring to "his people" and picturing the awful calamity that will befall them should justice be done them. I speak that he might not think that this side could be moved from its duty as it saw it under the laws of men, under the doctrine of justice, under every duty to its party and to the country by his declaration of the superiorities of "his people."

I join the distinguished Senator in every effort he will assume to make in this Chamber, as long as he honors it with his presence, in bringing back the people of this Government to the constitutional theory of this Government.

We have heard lately in a campaign, from a distinguished gentleman who was the chief of the distinguished Senator, the great war shibboleth, "Bring the Government back to the people." But I say the hour has come, sir, when our cry should be "Bring the people back to their Government." Sir, there should be something more learned and something more known of the theory of equality upon which this Government was founded by the fathers, that it may be preserved to the sons. I join the distinguished Senator in the hope that every movement and every act of ours may serve to preserve the line of demarcation between the right and privilege of the States on the one hand and the power and privilege of the Federal Government on the other. That we may not teach the multitude that they have the right, under the name of the National Government, to intrude upon the States, depriving them of any government and robbing them of the right of their citizens to home

rule. Let us try again to educate the people in the doctrine of the fathers, that they may not have to hearken to these protests from distinguished sources, warning States that they are liable to destruction by their own hands, and through their own carelessness suffer the usurpation of Federal authority. Let us no longer indulge the false creed that if the States shall not do their duty as some outsider sees it for them that they may be driven by the Federal Government chastising them by a system of laws burdening the poor and exempting the rich. Let us teach the other and nobler creed of the Christ, of right as no respecter of persons, and say with Lord Mansfield, "Let justice be done, though the heavens fall." Then, sir, we will fulfill the hope of the fathers of a government of equality to men and justice to country.

Mr. JOHNSON. Mr. President, before leaving Schedule D, I wish to suggest an amendment of the committee to paragraph 174, on page 51. In line 19, after the word "fruit," the committee moves to amend by striking out the words "by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture" and substituting in lieu thereof the words "and be exempt from duty."

Mr. SMOOT. Allow me to suggest to the Senator that if, as I suppose, the purpose of his amendment is to allow all boxes containing fruit to be returned to this country free of duty, it seems to me that if the Senate will disagree to the amendment offered by the Senate committee and allow the House provision to stand as it was and not change paragraph 412, the object the Senator has in view will be accomplished, and accomplished a great deal easier. Then they will come in free under paragraph 412, and we will not have to mention anything in the dutiable list as being free.

Mr. JOHNSON. Mr. President, it seems to me the two would then conflict, because in paragraph 412, among the containers which are made free of duty after being sent from here, these words are used:

Including shooks and staves when returned as barrels or boxes.

If the language I have suggested be stricken out, then, under that provision of paragraph 412, they would come in free of duty.

Mr. SMOOT. Of course, Mr. President, it seems to me that the other would be the simplest and best form and attain the same object; but if the Senator prefers to do it in this way, I have no objection.

The VICE PRESIDENT. The Secretary will state the amendment.

The SECRETARY. In paragraph 174, page 51, line 19, after the word "fruit," strike out the words "by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture" and insert "and be exempt from duty."

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

The amendment was agreed to.

The SECRETARY. The next paragraph passed over is on page 58——

Mr. WILLIAMS. Before going to that there is an amendment I desire to offer on page 53, after the words "nineteen hundred and fourteen," in line 11. I move to strike out the semicolon and insert a comma and the following words:

Until which date the rates of duty provided by paragraph 215 of the tariff act approved August 5, 1909, shall remain in force.

This is to prevent a possible hiatus during which there might be no sugar bill.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 53, line 11, after the words "nineteen hundred and fourteen," insert a comma and the words:

Until which date the rates of duty provided by paragraph 215 of the tariff act approved August 5, 1909, shall remain in force.

The amendment was agreed to.

The SECRETARY. On page 58, paragraph 215 was passed over at the request of the Senator from Washington [Mr. JONES].

The VICE PRESIDENT. The paragraph has been read and the committee amendment agreed to.

Mr. SHIVELY. At the conclusion of paragraph 215 I move to insert the following proviso:

Provided, That all mature mother flowering bulbs imported exclusively for propagating purposes shall be admitted free of duty.

This is the substance of the amendment suggested by the Senators from Washington.

Mr. POINDEXTER. That is true, Mr. President. I think it meets entirely the suggestion which we made.

Mr. SHIVELY. The Department of Agriculture holds that the words make a sufficient definition to differentiate these bulbs from the other bulbs mentioned in the paragraph.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 59, line 2, at the end of paragraph 215, insert a colon and the following proviso:

Provided, That all mature mother flowering bulbs imported exclusively for propagating purposes shall be admitted free of duty.

The amendment was agreed to.

The SECRETARY. The next paragraph passed over is on page 60, paragraph 221—fish.

The VICE PRESIDENT. The paragraph has been read and the committee amendment agreed to.

Mr. WILLIAMS. That was passed over at the request of some Senator who wanted to discuss it, the Senator from Massachusetts [Mr. LODGE], I think.

Mr. LODGE. I discussed it. I did not ask that it be passed over. I spoke on it when it was up.

Mr. WILLIAMS. Does not the Senator remember that one day he was not in the Chamber and some one said that he wanted to discuss it?

Mr. LODGE. It was passed over one day when I was absent, and I took it up as soon as I came back and discussed it.

The VICE PRESIDENT. On the same page paragraph 222 was recommitted.

Mr. WILLIAMS. The Senator from Washington [Mr. JONES] had an amendment to that paragraph. I think his amendment is pending.

Mr. POINDEXTER. The senior Senator from Washington [Mr. JONES] is not present. I would be glad to have the paragraph passed over temporarily until my colleague is present.

Mr. WILLIAMS. I think the Senator from Washington afterwards came in and offered his amendment. It was about apples, you will remember. He wanted a duty of 25 cents a bushel on apples. His amendment was offered and, I think, voted upon.

Mr. SMOOT. Paragraph 222 went over on my request. I called the attention of the Senator from Mississippi to the words "pineapples preserved in their own juice, 20 per cent ad valorem." He said that he would take up the question and decide whether there should be a change in that language. I do not know whether the Senator has done so or not.

Mr. WILLIAMS. Yes; we took it up and we did not see any reason why there should be any change made.

Mr. SMOOT. Then I will not even offer an amendment.

Mr. POINDEXTER. I am not sure whether the senior Senator from Washington has any further amendment pending to that paragraph or not. I should like to have an understanding that it might be returned to at some time when he is present, if he desires to offer an amendment to the paragraph.

Mr. WILLIAMS. I do not think that could be the case, because he offered about three amendments, I believe, that were all voted on. Let us go ahead.

The SECRETARY. On page 62, paragraph 234, the last five words in the paragraph were recommitted to the committee. They read:

Dead, 2 cents per pound—

Speaking of poultry.

Mr. WILLIAMS. That paragraph was passed over at the time because it reads "Poultry, live, 1 cent per pound; dead, 2 cents per pound." The Senator from Utah called attention to the fact that poultry might come in free under the head of "canned or otherwise prepared."

Mr. SMOOT. It comes in free under paragraph 548 when "prepared or preserved."

Mr. WILLIAMS. Yes; but the committee considered that very fully. In the free list it says, "except where otherwise provided," and certainly canned poultry is about as dead as any other sort; and preserved poultry is pretty dead, too.

Mr. SMOOT. Both are; but one is carrying a duty and the other is on the free list.

Mr. WILLIAMS. In order that there may be no trouble in the administration of the law as to whether canned and preserved poultry is dead, we offer an amendment. After the word "pound," in line 23, page 62, I move to strike out the period and insert a comma and the words "canned or preserved poultry, 2 cents per pound."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 62, line 23, after the word "pound," strike out the period and insert a comma and the words "canned or preserved poultry, 2 cents per pound."

The amendment was agreed to.

The SECRETARY. The next paragraph passed over is paragraph 238, page 63, which was recommitted to the committee.

Mr. WILLIAMS. The committee has no change to recommend in that paragraph.

The VICE PRESIDENT. It is then reported back without amendment.

Mr. NORRIS. I move to strike out the paragraph.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska to strike out paragraph 238. The paragraph will be read.

The Secretary read paragraph 238, as follows:

238. Dandelion root, and acorns prepared, and articles used as coffee, or as substitutes for coffee not specially provided for in this section, 2 cents per pound.

Mr. NORRIS. Mr. President, at the time this paragraph was recommitted to the committee there was some discussion in regard to it, but the discussion was closed with the suggestion of the Senator from Mississippi that if the matter was referred back to the committee they would give it consideration. I should like to inquire of the Senator if, upon consideration of it, they found that these substitutes for coffee were imported as coffee?

Mr. WILLIAMS. We did not find that they were imported as coffee, but that after they got here they were sold as coffee very frequently.

Mr. NORRIS. Did the Senator look into the question as to whether that was not a violation of the pure-food act?

Mr. WILLIAMS. I expect it is, but the danger is so great of its being the cause of a violation of the pure-food act we thought we ought to keep this duty on.

Mr. NORRIS. By charging a tariff on it, is the Senator of opinion that it will prevent the sale of it afterwards as coffee?

Mr. WILLIAMS. I think putting a duty of 2 cents a pound on it will render it less profitable to import it with coffee or sell it for coffee. It will render it less profitable to perpetrate any fraud upon the pure-food act.

Mr. NORRIS. It seems to me that the committee ought to admit free of duty anything that can be used or that is used as a substitute for coffee. At this time I am not going into a discussion of the Brazilian coffee valorization scheme. I have an amendment pending, on which I expect to submit some remarks later on; but I believe it is conceded by all that the price of coffee has been manipulated by this great international trust and has been more than doubled in price; that it is an unconscionable trust, one that has no defense, directly or indirectly, in any way; and that tribute has been levied upon the consumers of coffee in America for four or five years on account of this great combination.

The only argument which was offered the other day when we had this subject up for discussion for not striking out the paragraph and then putting these substitutes on the free list was that they might be sold under the name of coffee. I was of the opinion then that they were imported as substitutes and that there was no intention when they were imported to deceive anybody as to their nature. If I understand the Senator from Mississippi, I believe that is now conceded, but that after they are imported and the purchaser gets them they are sometimes sold as coffee.

Mr. WILLIAMS. I did not say that was conceded. I merely said we had no evidence of the fact that they are imported as coffee. I do not know whether they are or not; but what we did have evidence of, what we were satisfied of, was that after they got here they were used in certain places to mix with coffee and sold as coffee.

Mr. NORRIS. I have an idea, if it be true that they are mixed with coffee and sold as coffee, the chances are that the mixture is sold at a less rate than pure coffee. I would not want to do anything, either in this bill or in any other, to deceive any purchaser or make it possible for anyone to sell something for coffee that was not coffee, and I would not intentionally do so; but, as I look at it, it can make no difference, as far as that deception is concerned, whether the substitutes have a tariff upon them or not. The fact that they have a tariff upon them does not make it look any different to the eye, it does not make it any different to the taste, than if they were admitted free.

The result of the action of the committee, therefore, I think is that you give no relief whatever along the lines of practicing deception upon those who buy it thinking it is coffee. That can be done just the same if it had a tariff on it as though it had not a tariff on it.

Now, the Senator says the duty makes it less profitable to go into that business; that they would not make as much money out of it and probably could not sell the product as cheap; that, assuming they are going to deceive the people and sell them something as coffee that is not coffee, as long as it comes in competition with the product of the international trust that can be done just the same by a tariff on as though it came in free. It seems to me that it would be the part of wisdom to let it come in free and let the product be just as cheap as it can be made, and thus bring about more competition in the use of the article.

While there may be instances where men sell substitutes of coffee for coffee, the same as they sell almost every other article of commerce, I am constrained to believe that that is only a small part of the business and that the great amount of it is sold as substitutes for coffee. I presume that if Postum, an advertised substitute for coffee, were imported, it would have to pay duty under this provision, and yet nobody, as far as I know, has ever undertaken to sell Postum as coffee.

There are other substitutes for coffee I have seen advertised at different times, and in a little way I have known of their use, such as chicory, and so forth, but they are not sold as coffee, and we ought to give them all the opportunity we possibly can to compete with real coffee.

The only beneficiaries of this legislation, as I look at it, are those who are engaged in the valorization of coffee and the robbery of the American people, that has been going on for the last four or five years, by which the people have been compelled to pay an extortionate and unreasonable price for that product. It seems to me that there can be no defense made of that particular trust nor against the proposition to put on the free list anything that comes in competition with them.

Mr. President, I do not care to take up the time of the Senate in debating the question further. I am willing to concede that it would not settle the subject and put this trust out of business; I am not claiming that for it, but it would have a tendency in that direction and that would be some help.

Mr. WILLIAMS. We reduced the duty in this paragraph half a cent a pound, and after full consultation we saw no reason to change our conclusion.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska to strike out paragraph 238.

Mr. NORRIS. I ask for a roll call on the motion to strike out the paragraph.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote.

Mr. LEWIS (when his name was called). I again announce my pair with the Senator from North Dakota [Mr. GRONNA], and ask that this announcement stand for the day.

Mr. LIPPITT (when his name was called). I again transfer my pair with the Senator from Tennessee [Mr. LEA] to the junior Senator from Maine [Mr. BURLEIGH] and vote. I vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the Senator from Nevada [Mr. NEWLANDS]. I understand, if present, he would vote the same way as I shall upon this question, and therefore I take the liberty of voting. I vote "nay."

Mr. THOMAS (when his name was called). I announce the same transfer of my pair as previously, and vote. I vote "nay."

Mr. WARREN (when his name was called). I have a pair with the Senator from Florida [Mr. FLETCHER], and therefore withhold my vote.

The roll call was concluded.

Mr. CHILTON. I make the same announcement as to my pair and transfer that I did upon the former ballot and vote. I vote "nay."

Mr. BRYAN. I transfer my pair with the junior Senator from Michigan [Mr. TOWNSEND] to the junior Senator from Nevada [Mr. PITTMAN] and vote. I vote "nay."

I desire to announce that my colleague [Mr. FLETCHER] is detained from the Senate on public business.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. OWEN] and vote. I vote "nay."

Mr. ASHURST. My colleague [Mr. SMITH of Arizona] has been called from the Chamber on an important matter. If he were present, he would vote "nay."

Mr. LEWIS. I desire to transfer my pair with the Senator from North Dakota [Mr. GRONNA] to the Senator from Arizona [Mr. SMITH] and to vote. I vote "nay.'

Mr. THORNTON. I announce the absence of the Senator from Alabama [Mr. BANKHEAD], and also that he is paired with the junior Senator from West Virginia [Mr. GOFF].

Mr. BACON. I again announce my pair with the senior Senator from Minnesota [Mr. NELSON]. In his absence I withhold my vote. If he were present, I should vote "nay."

The result was announced—yeas 18, nays 44, as follows:

YEAS—18.

Borah	Colt	Kenyon	Sherman
Brady	Crawford	La Follette	Sterling
Brandegee	Cummins	Norris	Weeks
Bristow	Fall	Page	
Catron	Jones	Poindexter	

NAYS—44.

Ashurst	Lewis	Reed	Smith, S. C.
Bradley	Lippitt	Robinson	Stephenson
Bryan	Lodge	Root	Stone
Chilton	McCumber	Saulsbury	Swanson
Gallinger	Martin, Va.	Shafroth	Thomas
Hollis	Martine, N. J.	Sheppard	Thompson
Hughes	Myers	Shields	Thornton
James	O'Gorman	Shively	Tillman
Johnson	Overman	Simmons	Vardaman
Kern	Perkins	Smith, Ga.	Walsh
Lane	Ransdell	Smith, Md.	Williams

NOT VOTING—33.

Bacon	Dillingham	McLean	Smith, Mich.
Bankhead	du Pont	Nelson	Smoot
Burleigh	Fletcher	Newlands	Sutherland
Burton	Goff	Oliver	Townsend
Chamberlain	Gore	Owen	Warren
Clapp	Gronna	Penrose	Works
Clark, Wyo.	Hitchcock	Pittman	
Clarke, Ark.	Jackson	Pomerene	
Culberson	Lea	Smith, Ariz.	

So the amendment of Mr. NORRIS was rejected.

The SECRETARY. Paragraph 240, relative to spices, on page 63, was passed over and recommitted.

Mr. WILLIAMS. In connection with that paragraph, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The paragraph has not yet been read. The Secretary will read the paragraph.

The Secretary proceeded to read paragraph 240. The first amendment of the Committee on Finance which was passed over, in paragraph 240, was, on page 63, line 23, after the word "spices," to insert the word "unground"; so as to read:

240. Spices, unground: Cassia buds, cassia, and cassia vera; cinnamon and cinnamon chips; ginger root, unground and not preserved or candied; nutmegs; pepper, black or white; capsicum or red pepper, or cayenne pepper; and clove stems, 1 cent per pound; cloves, 2 cents per pound; pimento, ⅝ of 1 cent per pound; sage, ½ cent per pound; mace, 8 cents per pound.

The amendment was agreed to.

The next amendment was, in the same paragraph, on page 64, line 4, after the word "pound," to insert the words:

Bombay or wild mace, 18 cents per pound; ground spices, 20 per cent ad valorem in addition to any duty on the spices in an unground state.

The VICE PRESIDENT. The amendment proposed by the Senator from Mississippi [Mr. WILLIAMS] to the amendment of the committee will be stated.

The SECRETARY. On page 64, line 4, after the first words in the committee amendment, viz, "Bombay or wild mace, 18 cents per pound," it is proposed to strike out "ground spices, 20 per cent ad valorem in addition to any duty on the spices in an unground state" and to insert "ground spices, in each case, the specific duty per pound enumerated in the foregoing part of this paragraph, and in addition thereto a duty of 20 per cent ad valorem for unground spices."

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

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. WILLIAMS. Mr. President, the Senator from Utah [Mr. SMOOT] seems to think that the words "Bombay or wild mace, 18 cents per pound," were stricken out.

The VICE PRESIDENT. No.

Mr. SMOOT. I was not in; and I should like to ask the Senator having this portion of the bill in charge why Bombay or wild mace should carry a duty of 18 cents per pound? The present rate is 10 cents.

Mr. WILLIAMS. It is virtually a prohibitory duty. We put it on upon this ground: Real mace is brought to us, and Bombay mace, which has no quality of a spice and is a shrunken-up thing of no value whatsoever, any more than any hull of a nut or anything dried out, is brought over here and mixed with genuine spices, so that even chemists can not distinguish it and nobody can tell anything about it.

Mr. SMOOT. It analyzes the same as the regular mace.

Mr. WILLIAMS. It is sold as the regular mace, and we wanted to discourage that. Honest importers do not import it, but dishonest ones do.

The SECRETARY. The next paragraph passed over is paragraph 254½, on page 70, relating to sweet wine, which continues to the end of that page, the two following pages, and a portion of page 73.

Mr. SIMMONS. That paragraph was recommitted to the committee, probably at my request, and we are not ready to report on it.

Mr. WILLIAMS. The committee desires to insert as a new paragraph, to be known as paragraph 254¾, the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 73, after line 6, it is proposed to insert a new paragraph, as follows:

PAR. 254¾. On and after the 1st day of January, 1914, all stamps required by law to be affixed to packages of distilled spirits filled on the premises of rectifiers or wholesale liquor dealers shall be charged to collectors as representing the value of 25 cents each, and shall be paid for at that rate by each rectifier or wholesale dealer on whose packages the stamps are used; and such stamps shall be issued and accounted for by collectors in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe.

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

The amendment was agreed to.

The VICE PRESIDENT. The Chair would like to inquire of the chairman of the committee in regard to paragraph 254½. Is that still in the hands of the committee?

Mr. SIMMONS. Mr. President, as I stated a moment ago, that paragraph is still before the committee. We are not ready to report upon it.

Now, I ask that Schedule I, cotton manufactures, be passed over temporarily. The Senator from Georgia [Mr. SMITH] was not able to be with us last night, and we did not finish that schedule. I ask that we now go to Schedule J.

The VICE PRESIDENT. The Secretary will state the first paragraph passed over in Schedule J.

The SECRETARY. The first paragraph passed over in Schedule J is, on page 86, paragraph 290, reading as follows:

290. Bags or sacks made from plain woven fabrics, of single jute yarns, not dyed, colored, stained, painted, printed, or bleached, 10 per cent ad valorem.

Mr. WILLIAMS. That paragraph was passed over at the request of the Senator from Washington [Mr. JONES], who wanted us to consider an amendment to put certain Calcutta sacks upon the free list. The committee have considered the matter and concluded that it was better to leave the paragraph as it is.

Mr. JONES. Mr. President, I think I discussed that matter fully the other day, and I will not take the time of the Senate in discussing it further; but I should like the amendment which I have offered put to a vote. I will not ask for a roll call on it, but merely that it be submitted to the Senate.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 86, paragraph 290, at the end of line 16, after the words "ad valorem," it is proposed to insert the following proviso:

Provided, That jute grain bags, known commercially as standard Calcutta, 22-inch by 32-inch grain bags, shall be admitted free of duty.

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

Mr. POINDEXTER. Mr. President, I desire to say, supplemental to what has already been said upon that question, which is the same question as that raised by an amendment of which I gave notice some time ago, that this tax is a great burden on the wheat growers of the Pacific coast and offers no substantial return to the country in the way of protection of any important industry or any industry that is likely to become important. All of the grain raised in Idaho, Oregon, Washington, and California is garnered in sacks, and nearly all of it is shipped abroad. The sacks are imported and filled with wheat and immediately exported. The tax upon the sacks, as was very well stated by my colleague, operates as a tax upon the transaction of harvesting and shipping wheat, and because it is a crop which is exported it, in effect, operates as a tax upon exports. While, of course, it is not legally in conflict with the Constitution of the United States, which enjoins Congress from levying any tax upon exports, yet in effect that is what it amounts to.

Mr. WILLIAMS. I think the Senator will find that, while there were about 40,000,000 of these bags imported, only about 4,000,000 of them are exported filled with wheat.

Mr. POINDEXTER. Mr. President, the Senator is evidently misinformed in regard to that.

Mr. JONES. Entirely so.

Mr. POINDEXTER. That would be something like 8,000,000 bushels of wheat for export. I have not the figures here, but we raise in the State of Washington alone, to say nothing of Idaho, Oregon, and California, 40,000,000 bushels of wheat a

year, most of which is exported. The Senator's figures are entirely erroneous.

I ask leave, Mr. President, in connection with what I am now saying, to print a statement from the Department of Commerce in regard to the number of sacks which are used for exporting wheat and the amount of wheat exported in sacks.

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

The matter referred to is as follows:

Exports of wheat, barley, oats, and rye from certain specified customs districts during the year ended June 30, 1913, and value of same.

	Bushels.	Dollars.
Puget Sound, Wash.:		
Wheat	5,668,394	4,790,962
Barley	19,186	11,589
Oats	214,632	79,609
Rye	5,290	4,189
Portland, Oreg.:		
Wheat	8,147,139	6,965,224
Barley	1,764,591	1,276,851
Oats	143,320	94,277

Total imports of "bags of jute" during fiscal year 1913, 51,909,093 pounds; value, $4,278,140.

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

Mr. SHIVELY. Mr. President, I direct the attention of the Senate to the fact that the present duty, reduced to an ad valorem basis, is 28.84 per cent; that is, the duty in the present law, under paragraph 354, is seven-eighths of 1 cent per pound and 15 per cent ad valorem. By this provision we reduce the duty to 10 per cent ad valorem.

Mr. WARREN. Mr. President, in that connection I should like to ask a question. I should like to ask it of the Senator from Georgia [Mr. SMITH], but I see he is absent.

Paragraphs 288 and 290 refer to bags and bagging. Over on page 129, paragraph 416 provides for bagging for cotton, gunny cloth, and so forth. I am informed that the intention is to make bagging for cotton, wool, and grain free, but it does not seem to me, from a reading of these sections, as if that would be accomplished. If there is any reason for stating in words in the bill that the bagging for cotton shall be free, it seems to me it is rather an invidious distinction that it should not also state "for grain and for wool," too.

Mr. SHIVELY. Mr. President, I think the Senator will find that the cotton bagging and grain bagging are on precisely the same basis—that is, they are both on the free list. It so happens that the bag is made on the bale in the case of cotton—that is, the burlap or cloth is sewed on the bale. Of course, in the case of grain the bag is made before the grain is put into it; but, so far as the duties are concerned, they are on the same basis as to both articles.

Mr. WARREN. I do not yet understand that.

Mr. SHIVELY. Of course, the Senator understands that the burlap is sewed on the bale of cotton after the bale is made. After it is pressed the cloth is placed around it and sewed up with iron ties, while, on the other hand, in the case of grain, the bag is made before the grain is put into it. In both cases the burlap—the cloth out of which the article is made—is on the free list.

Mr. WARREN. I do not understand that it is a burlap that is used in bagging for cotton.

Mr. SHIVELY. Oh, yes.

Mr. WARREN. Then I have been misinformed.

Mr. SHIVELY. Oh, yes. It is jute burlap which is used both in cotton and in grain bagging.

Mr. WARREN. It is true, as the Senator says, that the grain sacks are made before the grain is put into them. So it is with wool; although when the wool arrives at destination, differentiating it from the grain bag, the bag is cut open lengthwise and the wool taken out, and the sack is ruined. In the case of grain the sack is often used again.

Mr. SHIVELY. Yes. Of course, in that particular, if there be a shade of difference, it is in favor of the grain sacks, because, in the case of the cotton wrapper, when it is once used it is substantially worthless, while the grain sack may be used half a dozen times.

Mr. WARREN. Then, I am to understand, am I, that the proponents of this bill assure us that they stand exactly equal—the coverings for grain, which has been made free; the coverings for wool, which has been made free; and the coverings for cotton, which is also free?

Mr. SHIVELY. Yes; the Senator understands that whatever difference there may be arises out of the peculiar manner of the use of the one as distinguished from the other. That is to say, in the case of the cotton sack or wrapper it is fastened or sewed together with iron ties on the bale itself when pressed, while in the case of the grain sack or wrapper the grain is put into the sack after the sack is made. The one is made on the wrapped article and the other is made before the article is placed in it. The difference is of the manner of the use and not a difference of duty.

Mr. SMOOT. If the wool were baled as we used to bale it, the burlap that would go around the bale of wool would be free, the same as the cotton bagging; but we are not handling wool in that way to-day. It is put into a wool bag, sewed up, which carries a rate of 10 per cent, just the same as grain bags under the bill.

Mr. WARREN. If the covering of cotton is cotton, then there is no charge for the covering.

Mr. WILLIAMS. I will explain it to the Senator.

Mr. WARREN. I should be glad to have it explained.

Mr. WILLIAMS. The cloth out of which cotton bagging is made, and out of which wool bags are made, and out of which grain sacks are made, is all burlap. Now the cloth is put upon the free list. Of course there is no such thing as a cotton bag, because you simply take the bagging, put it in the cotton press, let it lap over in this way, press the cotton down under powerful pressure, and then, after it is pressed, you draw your bagging across it and clamp your iron ties to hold the bagging in place. You may call that a cotton sack if you choose, but it is put on after the cotton is pressed, as the Senator from Indiana says. Therefore, of course, you can not protect a cotton planter's cotton sack, because it is not made into a sack except right at the gin on the cotton. For that reason these three products receive precisely equal treatment in this bill.

Now we reduce the duty on made sacks from about 28 and a fraction per cent to 10 per cent; and then, besides that, we give the American manufacturers of grain sacks free raw material. They tell us that while they have not hitherto made very many bags they can now make them, as they think, with free raw material. They say that while we import some 40,000,000 of these sacks, I believe, we export only about 4,000,000 in the exportation of wheat.

Mr. JONES. Mr. President, if the information that the Senator has with reference to this matter generally is no more reliable than the information that is conveyed to him to the effect that only 4,000,000 of these sacks are used for export his information is not at all reliable, because we certainly export far more than that.

Mr. WILLIAMS. That may be; but still it comes from parties that are considered very reliable.

Mr. SMOOT. On the Pacific coast there were exported 11,687,655 bushels of wheat and 9,146,052 bushels of barley; so that it takes a few over 11,000,000 bags to cover the wheat and the barley that is exported from the Pacific coast.

Mr. BRANDEGEE. Mr. President, will the Senator from Mississippi point out to me in what paragraph the bagging which is used for making bags for wool is covered?

Mr. WILLIAMS. Paragraph 416. It covers the material out of which bags for wool are made. It does not name them as bags for wool.

Mr. BRANDEGEE. This same paragraph, 416, includes bags in which wool is put up, does it?

Mr. WILLIAMS. It includes the cloth out of which the bags to go around the wool are made, and the cloth out of which the grain sacks are made, and the sacks out of which the cotton bagging is made.

In connection with this subject I desire to have some matter inserted in the RECORD as a part of my remarks.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

AMES HARRIS NEVILLE CO.,
Portland, Oreg., August 28, 1913.

Hon. GEORGE E. CHAMBERLAIN,
United States Senate, Washington, D. C.

MY DEAR SIR: I have just received the CONGRESSIONAL RECORD, volume 50, No. 93, of August 21, and note on page 3596 and the following pages Senator JONES's argument in support of his amendment to place certain bags on the free list.

I do not think that Senator JONES is fully advised as to the facts in this matter, for his argument contains many statements that are inaccurate and other statements that are incorrect.

First. He states that the duty on bags practically amounts to a tax on exports of the farmer's wheat. Out of the total wheat crop produced in Oregon, Washington, Idaho, California, and, in fact, all the Pacific coast, only a very small portion—i. e., from 20 to 25 per cent—is exported. Practically all the wheat that is exported is exported from Portland and Seattle, and the average exportations amount in recent years to only about 10,000,000 bushels.

Second. There are imported annually from Calcutta approximately 40,000,000 bags for harvest purposes, and of this 40,000,000 bags, ac-

cording to statistics, only about 4,000,000 are exported filled with wheat—that is, only 10 per cent of the importations—so that if the duty on the bags is a tax on the exportations it would be a most insignificant tax

Third. Senator JONES states, on page 3596, that the manufacturers of the Pacific coast are not manufacturing any bags under the Payne-Aldrich tariff. It is true that the importations from Calcutta are substantial, but it is also true that all the bag factories on the Pacific coast are manufacturing at least to some degree the bags required to harvest the crop. We can not give these figures exactly, but the quantity is not entirely insignificant.

Furthermore, if the bill at present pending before the Senate is enacted into law, and burlap is on the free list, and bags carry a duty of 10 per cent, the local manufacturers will be in a position to supply a larger portion of the bags required than they are able to supply at this time.

In conclusion, we can only state, as we have stated before; that is, that the differential of 10 per cent is a low differential. We do not think any manufacturer has asked for a lower competitive differential, and the differential we are asking is competitive only. We do not claim that it will preclude all Calcutta importations, but we do claim that it will afford the local manufacturers an opportunity to compete, and if this opportunity to compete is not afforded them it will mean the entire industry will be transferred to Calcutta, and the Calcutta mills will then have a positive monopoly, and we believe we are fully warranted in saying that they will add to their cost of manufacture the additional cost of manufacture in this country. There is no reason why they should not add this, for they would easily be in a position to obtain it.

The facts in regard to exportation of wheat from Pacific coast ports, and also the exportation of bags filled with wheat, is readily susceptible to proof, and we believe this proof can be obtained by an inspection of the public records at Washington. If Senator WILLIAMS, who has in charge the schedules in which we are interested, or any other member of the Finance Committee, want proof of the accuracy of the statements in the wire which I sent you to-day, and of which I herewith inclose a copy, we would be very glad indeed to supply such proof, and believe it can be supplied in a very short period of time.

Again thanking you for your many courtesies, I remain,

Yours, truly,

EVERETT AMES.

—

PORTLAND, OREG., *August 28, 1913.*

Hon. GEORGE E. CHAMBERLAIN,
United States Senate, Washington, D. C.:

Have just read CONGRESSIONAL RECORD of August 21, which contains Senator JONES's argument in support of his amendment to place certain burlap bags on the free list. His argument is inaccurate and incorrect in many ways. In the first place, not more than 20 to 25 per cent of the wheat produced on the Pacific coast is exported. Out of average annual importations of 40,000,000 burlap bags from Calcutta not more than 10 per cent are exported filled with wheat. In the second place, the bag factories on the Pacific coast have during the last four years furnished some of the bags required to sack the crop. If burlap is placed on the free list and bags are assessed at 10 per cent ad valorem, local factories will be in a position to furnish a larger proportion of the bags required. Reduction of duty on burlap and burlap bags in Underwood law is very material. Bag manufacturers asking only 10 per cent differential, which is extremely low. Think if bags are put on the free list it will mean no material benefit to the farmer, but will seriously injure established industry. Facts stated in this telegram readily susceptible to proof by public records. If Senator WILLIAMS or other members of Finance Committee think proof necessary, we can immediately arrange to procure same.

EVERETT AMES.

Mr. BRANDEGEE. Why is it necessary to say what this bagging is to be used for when it is put on the free list? Why is not the article itself described by its texture, instead of saying "bagging for cotton, gunny cloth, and similar fabrics, suitable for covering cotton"?

Mr. SHIVELY. The language descriptive of the cloth used in making grain bags, and which we place on the free list, is in paragraph 416, and is in these words: "Plain woven fabrics of single jute yarns by whatever name known, not bleached, dyed, colored, stained, printed, or rendered noninflammable by any process." That covers the jute cloth out of which grain bags are made.

Mr. BRANDEGEE. All I want to know is, does the bagging that is suitable for making bags for wool come in free also?

Mr. WILLIAMS. Undoubtedly; and the stuff that is suitable for making bags for wool is just the fabric which was referred to by the Senator, to wit, "plain woven fabrics of single jute yarns by whatever name known, not bleached, dyed, colored, stained, printed, or rendered noninflammable by any process."

Mr. BRANDEGEE. If that is so, I do not see any reason for using the word "cotton" at all, any more than for saying "bagging suitable for cotton and for wool."

Mr. WILLIAMS. There is not a particle of use; but we found it in the House text, and we saw no use in making an extra and superfluous Senate amendment to vote on in the Senate.

Mr. BRANDEGEE. I am satisfied if the two are treated equally.

Mr. WARREN. Mr. President, as I understand it now, the purpose is that the cloths for all of these articles are to be admitted free, but if any labor goes into them in the way of making sacks before they come into this country——

Mr. WILLIAMS. There is a duty of 10 per cent ad valorem.

Mr. WARREN. And therefore, in addition to a matter of revenue, it is protective to labor? Is that the contention?

Mr. WILLIAMS. It is to that extent, necessarily. It could not be otherwise.

Mr. WARREN. I want to know that, because that lies very closely along the line of some remarks I made a few days ago about the matter of tops. While I presented that matter from the standpoint of the woolgrower, there is quite a good deal of labor entering into the making of tops from ordinary grease wool.

Mr. SIMMONS. I hope the Senator from Wyoming is not going to make another argument on tops.

Mr. WILLIAMS. We got over three-quarters of a million dollars revenue from this source last year.

Mr. SIMMONS. I want to say that the committee certainly had the purpose of putting cotton bagging and the material out of which grain sacks are made upon an equality, and putting them both on the free list. If Senators can think of some word that will designate the class more specifically, we shall be glad to consider it; but I do not think there can be any sort of doubt about it.

Mr. WARREN. As it reads, it will be understood until it is explained, as it has been, or at least it may be construed by those who will construe the law, as an invidious distinction between products, because one is mentioned by its name and the others are not.

But returning for a moment, I am quite willing that labor should be protected in whatever line it is employed. I want the committee to remember that. As to these other items of partial manufacture that go into these uses, when a great product is made utterly free of duty, I should like to see it permit the man who raises the product and who has to go to the market to obtain the containers relieved as far as possible of duty. It is hardly fair for a man to have to raise a product free of duty and pay a duty for the wrapping for it, and then turn around and have a duty upon every article which he may use, made out of the identical material raised by such producer.

Mr. SIMMONS. I had not understood that Senators on the other side were contending for free raw materials and a duty on the manufactured product; but I wish to say to the Senator that there is a great deal of revenue involved in this item. At present it is yielding a revenue of $847,000 a year. I do not wish to go into that discussion, however.

Mr. SMOOT. I simply wish to call attention to the fact that under the present law the equivalent ad valorem on plain woven fabrics is 23.86 per cent. The equivalent ad valorem for bags is 28.84 per cent. So the differential between cloths and bags under the present law is 5 per cent, but the committee in reporting the bill has made a differential of 10 per cent.

Mr. WILLIAMS. Yes; 10 per cent.

Mr. SMOOT. So the differential between the free cloth and the manufactured bag under the pending bill is 10 per cent, and under the present law it is only 5 per cent.

Mr. SHIVELY. With an estimated revenue of $320,000.

Mr. BRANDEGEE. The Senator from Utah does not complain of that, does he?

Mr. SMOOT. I was just stating the fact as it really exists. Of course the differential of 5 per cent more will be paid by the user of the grain bag or the wool bag.

Mr. WILLIAMS. I ask for a vote upon the paragraph.

Mr. JONES. Just a word, Mr. President. Most of the discussion here has been off the amendment that is pending.

The pending amendment calls for a special class of bags to be placed on the free list. As I said, the information that has been given to some Senators with reference to the number of these bags that are used for export is certainly very erroneous. There are many more than 4,000,000 used for export.

This tax can not be justified from a Democratic standpoint at all. It is true that it raises some revenue; but it is a tax upon an agricultural product that is used largely for export, and it certainly ought not to be imposed upon an agricultural industry.

I hope the amendment I have offered will be adopted.

Mr. POINDEXTER. Mr. President, I ask for the yeas and nays upon the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I transfer my pair with the junior Senator from Michigan [Mr. TOWNSEND] to the junior Senator from Ohio [Mr. POMERENE] and vote "nay."

Mr. CHAMBERLAIN (when his name was called). Again announcing my pair with the junior Senator from Pennsylvania [Mr. OLIVER] I withhold my vote in his absence.

Mr. LEWIS (when his name was called). I again announce the transfer of my pair to the Senator from Arizona [Mr. SMITH] as before. I vote "nay."

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. THOMAS (when his name was called). I make the same transfer of my pair as previously announced and vote "nay."

Mr. WARREN (when his name was called). I again announce my pair with the Senator from Florida [Mr. FLETCHER].

The roll call was concluded.

Mr. CHILTON. I announce my pair with the junior Senator from Maryland [Mr. JACKSON] and withhold my vote.

Mr. THORNTON. I wish to announce the necessary absence of the Senator from Alabama [Mr. BANKHEAD]. He is paired with the junior Senator from West Virginia [Mr. GOFF].

Mr. POMERENE. I transfer my pair with the Senator from Michigan [Mr. TOWNSEND] to the Senator from Montana [Mr. WALSH] and vote "nay."

Mr. WALSH entered the Chamber and voted "nay."

Mr. POMERENE (after having voted in the negative). As the Senator from Montana [Mr. WALSH] has come into the Chamber and voted, I withdraw my vote.

The result was announced—yeas 26, nays 38, as follows:

YEAS—26.

Borah	Crawford	McLean	Sherman
Brady	Cummins	Nelson	Smoot
Brandegee	Dillingham	Norris	Stephenson
Bristow	Gallinger	Page	Sterling
Catron	Jones	Perkins	Weeks
Clark, Wyo.	Kenyon	Poindexter	
Colt	La Follette	Root	

NAYS—38.

Ashurst	Lane	Saulsbury	Swanson
Bacon	Lewis	Shafroth	Thomas
Bradley	Martin, Va.	Sheppard	Thompson
Bryan	Martine, N. J.	Shields	Thornton
Hitchcock	Myers	Shively	Tillman
Hollis	O'Gorman	Simmons	Vardaman
Hughes	Overman	Smith, Ga.	Walsh
James	Ransdell	Smith, Md.	Williams
Johnson	Reed	Smith, S. C.	
Kern	Robinson	Stone	

NOT VOTING—31.

Bankhead	du Pont	Lippitt	Pomerene
Burleigh	Fall	Lodge	Smith, Ariz.
Burton	Fletcher	McCumber	Smith, Mich.
Chamberlain	Goff	Newlands	Sutherland
Chilton	Gore	Oliver	Townsend
Clapp	Gronna	Owen	Warren
Clarke, Ark.	Jackson	Penrose	Works
Culberson	Lea	Pittman	

So Mr. JONES's amendment was rejected.

Mr. GALLINGER. In connection with the observations I made on the tariff bill this morning I had intended to ask unanimous consent to place in the RECORD a letter of Mr. John T. Lord, of Lawrence, Mass., in answer to some strictures which were made upon that city in an article in Collier's Weekly, which was quoted a few days ago. I now ask unanimous consent that the letter may be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The letter referred to is as follows:

215 HAVERHILL STREET,
Lawrence, Mass., August 30, 1913.

Senator J. H. GALLINGER,
United States Senate, Washington, D. C.

MY DEAR SENATOR GALLINGER: My attention has been called to the discussion in the Senate on August 25 in which Senator SMITH of South Carolina asked to have read an article which appeared in Collier's Weekly and which had reference to the textile strike in Lawrence a year and a half ago.

Referring to this article, there is truth in the statement that among the stockholders are some of the finest people in New England, many of whom live in Boston and whom Collier's is pleased to designate as an "aristocracy based upon the profits of the textile mills of New England." It is also equally true that as respects the Lawrence mills there is a larger number of local stockholders, some with fairly large holdings, who are deeply interested in both the prosperity of the mills and the welfare of the surrounding community.

The assertion that "not a single large stockholder in the Lawrence mills lives in Lawrence" is untrue. The largest stockholders in the duck mill, a large stockholder in the Everett Mills, the proprietor of the large Lewis woolscouring plant, and the owners of the Walworth Mills all live in Lawrence. The principal owner of the Kunhardt Mills in this city lives within one and a half miles from the mill in the adjoining town of North Andover, while in the same town at the time the Collier article was published there lived within seven minutes' ride from his mills in Lawrence one of the largest stockholders in both the Uswoco Mills and the Lawrence Dye Works, both of which corporations have since been merged with the United States Worsted Co.

To say that "there is only one of the important mill managers who lives in Lawrence" does not accord with fact. Of the three agents of the three large mills of the American Woolen Co. in this city one lives in Lawrence, another on the border line separating Lawrence from Methuen, and a third in Andover, within 2 miles of the mill. With respect to the Everett Mills, the treasurer, agent, and superintendent, respectively, all live in this city. The agent and superintendents of the Pacific Mills have always lived in Lawrence, and the same is true of the Atlantic Mills, which was in existence at the time of Collier's criticism. The Arlington Mills plant is located on both sides of the line separating Lawrence from Methuen, and as the nearest residential section to these mills is over the Methuen line it is only natural that the agent and superintendent of this mill should choose the nearest and most convenient location for residence. The treasurer and general manager of the Lawrence Duck Mills has lived in Lawrence for not less than 30 years, and still maintains his residence here. The principal owner and manager of Kunhardt's mill lived in this city up to a few years ago, when he moved over the line into North Andover, not over 1½ miles from his manufacturing plant. The Walworth Mills are owned and operated by three brothers, lifelong residents of Lawrence. At the time the Collier article was published a Lawrence man was treasurer and general manager of both the Lawrence Dye Works and the Uswoco Mill. The above-mentioned mills comprise all the important textile concerns in this city.

Regarding the "absence of old men and old women," this can have reference only to people of such nationalities as Italian, Polish, and Syrian, who only within the last 12 or 15 years have begun to settle in this city. Of these people very few come to Lawrence past middle life, probably for the reason that they are unfitted for textile employment; they have had no previous textile training and are too advanced in years to acquire any degree of competence or skill in mill processes. This phase is referred to at greater length in the newspaper clipping inclosed. In a few years, however, we shall have a normal number of old men and old women of these nationalities in our mills. As respects Americans and other nationalities who have been long enough in textile occupations to grow old in same, far from the mills "milking the cream of youth from humanity and sending the remainder to the scrap heap," they carry along their aged employees, and as strength and health fail they are transferred to lighter and easier work that falls within their declining capacity. One reason why the average wages of textile mills is no higher is that many aged employees are carried along whose earnings, of necessity, are relatively low.

The picture of the wife having to go into the mills to supplement the husband's earnings, "followed by one child after another as fast as they arrived at the legal age," is overdrawn. It is the rule for mothers to stay at home and care for the family, and the exception for them to do mill work, and in the latter case it is usually because the mother is a widow or that the father is delinquent. Newly married women will frequently continue their mill occupation until within a few months of the birth of their first child, and that usually marks the end of their mill career unless later they become widows or the victims of nonsupport.

It is to be acknowledged that among the non-English-speaking immigrant population there is an unusually large proportion of individuals who are stunted, not fully developed, bearing marks of cruelty, suffering, and neglect endured in their native countries, and because of their abnormal physical condition they are rejected by the mills. But later, upon plea of their clergyman or other influential countryman or upon request of the overseers of the poor or of some charitable organization, the mills relent and take them in, and in such event it is hardly fair to have their physical defects charged up against the textile industry, when in so many instances the training and treatment which they receive in the mill improves their physical condition and renders them less defective.

There is no truth in the statement that "thousands also in this city go underclad"; it would be nearer the mark to substitute the word "overclad." The use of the overcoat is not fully appreciated by the newly arrived immigrant, but he keeps himself and family abundantly warm in the coldest weather by the most astonishing amount and variety of underwear. So much are the children of such families bundled up on cold days that in the warm atmosphere of the schoolroom they become too heated and sleepy for study until relieved of their excess of wrappings. But after his first winter he learns the lesson that lighter underclothing and a heavy overcoat is the better combination, and he is quick to adopt it.

"A textile working town," such as is pictured in Collier's, "is not a pleasant place to live in," but the description does not fit Lawrence. Essex Street, our main business thoroughfare over a mile long, is one of the finest business streets in New England. It is wide; the granite paving throughout its entire length is one of the finest specimens of its kind in the country; the sidewalks are granolithic and very wide; almost every store and bank and office building has either been rebuilt or remodeled during the past 10 years, and it is in every way a model business section such as many a larger and less notorious city would be proud of. To insinuate that Lawrence consists of "dirty wooden buildings, dirty streets, unlovely looking people, cheap goods in the store windows, no good society," is a gross and willful libel and resented by everyone who loves the truth and knows the facts.

One of the most mischievous and misleading notions that has gained currency and popular belief is that textile mills have been forcing out American and other high-class help in order to take on low-priced labor from southern Europe. Nothing is further from the truth, and no one deplores the shortage of American workmen, with American standards, more than the mills themselves. The facts in the case are as follows: Textile mills never paid such high prices for labor as at present; this applies to every department and process of manufacture. Wages are now 40 per cent to 60 per cent higher than 20 years ago. About one half of the work performed in a mill is paid for on a piece basis, the other half on time basis. The laws of Massachusetts require that in every room where work is paid for by the piece a price list of such piecework is to be posted in a prominent place, so that every employee may always know his rate of compensation. Where employees are paid by the hour, each overseer is furnished with a schedule showing the rate per hour to be paid for each occupation, and in making up his pay roll he has no alternative but to use schedule figures. When a person is hired he is told what wages he will receive. In entering up the pay roll the question of nationality is never considered; in the case of piecework it is simply to record the amount of work produced and the price is according to the published list. In the instance of time work it is simply to record the number of hours worked, and the rate is the one and only rate that appears on the official wage schedule. There is absolutely no discrimination in the wage rate on the basis of nationality, or any other distinction. All rates are fixed, and whoever performs any given work is paid the standard rate for such work. The only deviation from this is in the case of learners on time work, who for a limited period, rarely in excess of two or three weeks, receive less than normal pay. The logical sequence to such situation, therefore, is that overseers in hiring their help greatly prefer workpeople of American standard and resort to every conceivable means to fill up their departments with employees of this caliber. But, unfortunately, enough are not to be found, and he reluctantly takes on the immigrant of for-

eign tongue, who at the best and for a long time is a cause of much defective work and a source of grave anxiety to the overseer, who is responsible for the quantity and quality of the product that emerges from his department. Instead of the southern European selling his services for a lower price than the workman of American standard, he receives fully as much wages as his American fellow workman, while for a time, until he becomes skilled and proficient, he turns out an inferior and diminished product. The mills are therefore losers and not gainers by the employment of this so-called "low-priced labor."

Present communication has been written in Bethlehem, N. H., where I am spending a brief vacation. If I had access to my papers in Lawrence some of the observations made could have been stated with greater definiteness. I have, however, arranged to have mailed to you copy of The Survey, containing Judge Rowell's article on the Lawrence strike, which is an impartial and truthful statement of conditions in our city and refutes many of the misrepresentations and misstatements which have been so widely circulated.

Yours, very truly, JOHN T. LORD.

Mr. SIMMONS. The bill may be laid aside for the day.

EXECUTIVE SESSION.

Mr. BACON. 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 5 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 12 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, September 3, 1913, at 11 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate September 2, 1913.

AGENT AND CONSUL GENERAL.

Olney Arnold to be agent and consul general at Cairo, Egypt

COLLECTORS OF CUSTOMS.

Zach L. Cobb to be collector of customs for the district of El Paso, Tex.

Frank Rabb to be collector of customs for the district of Laredo, Tex.

PROMOTIONS IN THE NAVY.

Midshipman Neil H. Geisenhoff to be an ensign.

Midshipman Rawson J. Valentine to be an ensign.

POSTMASTERS.

KENTUCKY.

J. B. Cray, Millersburg.
P. A. McIntire, Uniontown.

NEW YORK.

Leo R. Grover, Silver Springs.
Hiram E. Safford, Cherry Creek.

NORTH DAKOTA.

Lydia Gullickson, Goodrich.

SOUTH CAROLINA.

Henry P. Tindal, North.

WISCONSIN.

George Burke, Thorp.
Samuel Dewar, Westfield.
F. A. Ferriter, Hillsboro.
Herman H. Fiedler, Cuba.
Albert Hess, Arcadia.
F. C. O. Muenich, Argyle.
Fred Seifert, Jefferson.
Harvey Vincent, Park Falls.
Thomas Wilson, Belleville.

HOUSE OF REPRESENTATIVES.

TUESDAY, *September 2, 1913.*

The House met at 12 o'clock noon.

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

Infinite and eternal Spirit, whose life-giving currents are ever sweeping on and out into the souls of men, purifying, fructifying, ennobling, we thank Thee that Thou art constant in Thy ministrations, and we earnestly pray that we may be more susceptible; that we may do conscientiously whatsoever we find to do, without the fear or favor of men, seeking only to do Thy will. Unite, we beseech Thee, the brain and brawn of our people, that contentions and strife may be lost in the ties of brotherhood, that thus working together with Thee the best results may obtain for all; in the spirit of the Master. Amen.

The Journal of the proceedings of Saturday, August 30, 1913, was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, Mr. NEELEY was granted leave of absence for three days, on account of illness in his family.

PANAMA-PACIFIC INTERNATIONAL EXPOSITION.

Mr. UNDERWOOD, from the Committee on Ways and Means, reported a bill (H. R. 7595) permitting the free importation of articles intended for foreign buildings and exhibits at the Panama-Pacific International Exposition and to protect foreign exhibitors, which was read a first and second time, referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report (No. 65), ordered to be printed.

RESIGNATION OF A MEMBER.

The SPEAKER laid before the House the following communication:

59 EAST ONE HUNDRED AND FIFTH STREET,
New York, August 31, 1913.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D. C.

DEAR SIR: I beg to submit herewith my resignation as a Representative in Congress from the twentieth district of the State of New York, such resignation to take effect September 1, 1913.

Yours, respectfully,

FRANCIS BURTON HARRISON,
Member of Congress, Twentieth New York District.

BOLL WEEVIL.

Mr. BOOHER. Mr. Speaker, I ask for the present consideration of the following privileged resolution.

The SPEAKER. The gentleman asks consideration of a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House resolution 240.

Resolved, That the Secretary of Agriculture is hereby directed to communicate to the House of Representatives at the earliest practicable day, not later than the first Monday in December, 1913, the result thus far secured in the study and investigation of the boll weevil and the amount of money thus far expended in such study and investigation.

The SPEAKER. The question is on the resolution.

Mr. MANN. Mr. Speaker, where is the resolution now?

Mr. BOOHER. I ask unanimous consent to have it considered. It is a privileged resolution asking for information.

Mr. MANN. Is it a resolution just introduced?

Mr. BOOHER. Yes. I ask unanimous consent for its consideration.

Mr. MANN. Why should it not go to the Committee on Agriculture?

Mr. BOOHER. It is a privileged resolution and is not necessary. I showed the resolution to the gentleman from South Carolina [Mr. LEVER], chairman of the Committee on Agriculture, and he said he had no objection.

Mr. MANN. It is not a privileged resolution yet.

Mr. BOOHER. I think it is.

Mr. MANN. Oh, no.

The SPEAKER. The gentleman from Missouri is asking unanimous consent for its present consideration.

Mr. MANN. I think these resolutions ought, in the first place, to go to their appropriate committees, Mr. Speaker. Under the rule the committee must report back a resolution of inquiry within a week.

Mr. BOOHER. The trouble with referring it is that these committees are not authorized to report any of these resolutions.

Mr. MANN. If the committee does not report it, then it will become privileged, and the gentleman can call it up.

Mr. BOOHER. I wish the gentleman would withdraw his objection and let the resolution pass.

Mr. MANN. It does not call for a report until December.

The SPEAKER. Is there objection?

Mr. MANN. I shall have to object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois objects.

Mr. BOOHER. Then let the resolution go to the Committee on Agriculture.

The SPEAKER. It will be referred to the Committee on Agriculture.

ENROLLED JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 52. Joint resolution to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy.

HETCH HETCHY.

Mr. FERRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Hetch Hetchy bill, H. R. 7207.

The SPEAKER. The gentleman from Oklahoma moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7207, the Hetch Hetchy bill.

The question was taken, and the motion was agreed to. Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. FOSTER in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes.

Mr. HELM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HELM. What is the parliamentary status in regard to the amendment offered by the gentleman from Illinois [Mr. MANN], pending at the time the point of no quorum was made on Saturday?

The CHAIRMAN. The amendment was under consideration, and on a rising vote was defeated, and then the gentleman from Texas [Mr. DIES] made the point of no quorum. So that the question now is on the amendment offered by the gentleman from Illinois.

Mr. HELM. I ask unanimous consent that the amendment may be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk read as follows:

Amend, page 11, by striking out, after the word "year," in line 7, the remainder of the section.

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

The question was taken; and on a division (demanded by Mr. FERRIS) there were, 28 ayes and 41 noes.

So the amendment was lost.

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

Mr. FERRIS. Mr. Chairman, I would like to know how many amendments are to be offered to this section.

Mr. STEENERSON. I have an amendment.

Mr. FERRIS. How much time does the gentleman want?

Mr. STEENERSON. I would like to have 10 minutes.

Mr. FERRIS. How much time does the gentleman from Wyoming want?

Mr. MONDELL. Four or five minutes.

Mr. MURDOCK. I wish the gentleman would give me five minutes. I may not use it.

Mr. HELM. And I want 5 or 10 minutes.

Mr. MONDELL. Let me suggest to the gentleman that as far as my amendment is concerned I want to present it for consideration.

Mr. FERRIS. I have no disposition to cut off debate. The bill has already occupied two days, and I want to get through with it. The committee has given two months of hard labor to it, and the bill has the approval of every departmental officer.

Mr. MANN. Find out how much time is wanted on the section, and then ask to close debate at the end of that time.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that the time on this section and all amendments thereto be limited to 25 minutes; that makes 5 minutes to each gentleman and reserves 5 to the committee.

Mr. MANN. That will not take in all the time that has been asked for.

Mr. FERRIS. Then I will make it 30 minutes, and that will take in all and give 5 minutes to the committee.

Mr. MONDELL. I suggest that my amendment be disposed of first. I do not know that gentlemen will want to take any time.

Mr. FERRIS. Mr. Chairman, I withdraw the request.

Mr. MONDELL. Mr. Chairman, I move to strike out all of section 7 after the word "hereof," line 24, page 10 and page 11, and place a period after the word "hereof," and add to that the following that I send to the desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend page 10 by striking out after the word "hereof," line 24, the remainder of the section and adding the following:

"3. That the grantee shall, for the benefit of the Yosemite National Park and the Stanislaus National Forest, pay for all timber taken from its right of way and shall pay annually such sums, to be fixed from time to time by the heads of the departments having charge of the said reservations, as shall be amply sufficient for the repair and maintenance of the roads and trails herein provided to be built by the grantee, and for the enforcement of the sanitary regulations provided for in section 1 of this act, together with such further reasonable sums as shall, in the opinion of said heads of departments, fairly measure its proportionate share of the cost of maintaining and protecting that portion of the said national park and national forest as constitutes the watershed of the water supply of said grantee.

Mr. MONDELL. Mr. Chairman, my amendment strikes out the part of the section which obligates San Francisco to pay fifteen, twenty, and ultimately thirty thousand dollars per annum, and provides in lieu of that, that San Francisco shall, first, maintain the roads and trails that are to be built about the Hetch Hetchy Lake; second, that she shall pay the cost of maintaining proper sanitary conditions on the watershed; and, third, that she shall pay her proportion of the cost of the supervision and policing and superintendence of the dams within the forest reserves and in the national park which are of the watershed. I do not believe that San Francisco should be called upon to pay an arbitrary fixed sum per annum for this grant. I think that the city should pay whatever cost the grant may lay upon the people of the country or the Treasury of the United States. If we were granting something of value for which San Francisco should pay, she should pay for it outright, and settle the matter here and now; but to place an annual lease charge on this grant is in my opinion establishing a very dangerous precedent. It is not in harmony with our policy up to this time and I believe it to be unwise.

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

Mr. MONDELL. Certainly.

Mr. HELM. The gentleman states that he believes if we were granting anything of value that San Francisco and San Francisco County should pay for it. Is the gentleman aware of the fact that the report of the Army engineers says that this proposition carries with it a $45,000,000 water-power proposition?

Mr. MONDELL. Oh, well, if the gentleman thinks that whenever——

Mr. HELM. It is not what I think.

Mr. MONDELL. I will answer the gentleman's question. If it is the gentleman's opinion that wherever water power is developed in the United States, those developing it should pay something into the Federal Treasury, the gentleman is welcome to that opinion. That is not my opinion. The fact is that in making this grant to San Francisco we take nothing from the people of the United States. We are not reducing the value of the property of the people of the United States. We make an inaccessible mountain valley accessible, and we make a valley which is now valuable only for camping purposes a beautiful lake. San Francisco builds roads about it, and instead of taking from the beauty of it we add to the beauty. We are making no grant that reduces the value of the people's property; we are giving the people of San Francisco an opportunity to utilize the resources of that region. Such utilization will be of real value to all the people rather than otherwise.

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

Mr. MONDELL. I do not consider that we are granting anything of value in the sense that we are taking something of value from the people and giving it to San Francisco. Therefore I do not believe there is anything to be paid for. If there were, I should want to have the price fixed now and here and San Francisco make the payment or have the payment provided for.

In my view we are establishing a most unfortunate precedent, one without any proper, reasonable, or logical basis, when we fix an arbitrary sum which shall be paid annually so long as time shall run. It is not fixed upon any estimate. There is no logical basis for it. It is either too much or too little—I do not know which—assuming that we are asking them to pay for something which we are taking from the people and giving to them exclusively, which we are not. Therefore I offer this amendment in line with our policy heretofore and the policy I think we ought to follow in the future.

The CHAIRMAN. The time of the gentleman from Wyoming has expired. The question is on the amendment offered by the gentleman from Wyoming.

The question was taken, and the amendment was rejected.

Mr. STEENERSON. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Line 6, page 11, before the word "annually," insert:

"And the sum of 5 per cent upon the gross earnings from the sale of water power and electrical energy derived from said works."

Mr. STEENERSON. Mr. Chairman, the contention has been made here that this was not granting San Francisco anything.

I want to remind the committee of the testimony. The testimony quoted in this report shows that the value of this site over all other rival sites for water for San Francisco is at the lowest calculation twenty millions of dollars. The ultimate analysis of all arguments that have been made, so far as the water supply available for San Francisco is concerned, is that this is the one they desire because it is the cheapest, that the others would cost more, and the reason why this is the cheapest is not because it supplies water for domestic uses more cheaply, but that coincidentally with supplying water for domestic uses it creates a water power which the city of San Francisco can sell either to private users or to railroad companies or street car companies, or anyone else who desires to exploit the public for profit.

I read from page 29 of the report in which they quote the testimony of Col. Biddle:

The Hetch Hetchy supply is estimated to cost $77,000,000, spread over a number of years. The second and third sources are estimated to cost $97,000,000 to $99,000,000.

Now, that is the argument in favor of the Hetch Hetchy project, and here further on the same page he says:

The power development in the Hetch Hetchy is greater than it is at any other source of supply.

In one place here, I believe, he states that the value of the water power to be developed from this reservoir, which belongs to the United States, the banks of it and all except a very small part of the bottom of the proposed reservoir belongs to the United States. The site for the dam belongs to the United States, and the water power to be developed, to say nothing of the domestic use of water, the water power and electric energy is estimated at a capitalization of $45,000,000. That is the cash value of the water power and electric energy to be derived from this plant—115,000 horsepower. Now, I would not for an instant impose a tax, as was proposed in a former amendment, upon the water to be supplied to San Francisco for domestic use, but it seems to me that when a city, when a municipality engages in the enterprise for profit it should be charged on the same basis and charged by the same standards as a private company. If a private corporation were to ask the United States for the privilege of building a dam and creating a reservoir in this valley whereby they would develop the horsepower worth $45,000,000, we naturally would impose some tax upon that because that is simply water power to be sold to the public. It may be sold to a railroad company or to the Western Union Telegraph Co.—that is not an eleemosynary institution as far as I know—and similar corporations, and my amendment therefore, in addition to the annual tax of $30,000, proposes a tax of 5 per cent upon the gross earnings derived from the sale of water power and electrical energy.

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

Mr. STEENERSON. I would like to have one minute more.

Mr. FERRIS. I have no objection.

Mr. STEENERSON. In this connection I desire to state that the people of California do not seem to be exactly united on this subject, and I have a telegram from people who are to use this water for irrigation purposes. It has been stated that they had agreed to this proposition, and they telegraphed me here that the directors of the water users' association that made the agreement misrepresented them, and they are now in the process of being discharged and dismissed because of their conduct. I ask that it be read.

The CHAIRMAN. Without objection, the Clerk will read.

Mr. STEENERSON. This was just received from California.

The Clerk read as follows:

MODESTO, CAL., *September 1, 1913.*

Congressman STEENERSON,
United States Representative from Minnesota,
Washington, D. C.:

Delay passage of Raker bill if possible. Modesto irrigation district water users opposed to bill and now recalling irrigation directors who misrepresented them. Our people able and willing to develop Hetch Hetchy for land which needs it badly. It is outrageous to crowd bill through special session.

W. C. LEHANE.

Mr. STEENERSON. Mr. Chairman, I desire to have this telegram read.

Mr. FERRIS. Let the gentleman read the telegram.

The CHAIRMAN. The gentleman asks unanimous consent to read the telegram. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

SAN ANSELMO, CAL., *September 1, 1913.*

Hon. HALVOR STEENERSON,
House of Representatives, Washington, D. C.:

Your patriotic efforts in opposing the Raker bill will have the approval and commendation of the people of this entire Nation when all the facts behind this infamous scheme are made public. Congress should demand a rigid inquiry on this matter. There is no urgent need for water in San Francisco.

EUGENE J. SULLIVAN.

Mr. FERRIS. Mr. Chairman, the gentleman from Minnesota raises two questions; the committee is entitled to a reply. This Eugene J. Sullivan, the gentleman who sent the last telegram, is the president of the Sierra Blue Lake Water Co., a rival company, which has been trying to sell to San Francisco for years a supply that she does not want and that is inadequate from every viewpoint. He appeared before our committee, and we delayed the hearings for about 10 days until he could come here and present his views in person; and I only invite any Member of the House to go over the hearings and read his testimony. He is a real estate promoter, a real estate plunger. The committee postponed their hearings on account of some inflammatory telegrams he sent in for 10 days in order to give him an opportunity to appear in person with his business and all his data. We gave him a patient hearing and he absolutely exploded himself. There was nothing in his testimony to answer at all. He presented nothing that had meat in it. He manifested a desire to defeat this bill, to the end that he selfishly might stand a better chance to unload his own scheme upon them against their will and against their interests. Every member of the committee will bear out what I have said, both Republicans, Democrats, and Progressives, who heard him. We gave him full latitude and a full hearing. The other gentleman I do not know, but I know enough about the equation to answer that situation. We had here Mr. Griffin and Mr. Foulkreit, two able, clear-headed attorneys for the Turlock and Modesto irrigation people. They represented their people patriotically and well. They were fair and considerate of the committee's time. They knew what they were about. They aided us materially.

They wired back to their chambers of commerce, they wired back to their county commissioners, they wired back to their boards of directors time and time again, and the record is sky-high here with resolutions of approval of what is being done here. San Francisco has agreed to every regulation—is giving the irrigation people more water than they can get from the natural flow of the river. They have been here in person and have had their hearings and were favorable to the legislation.

Now, there was one gentleman here, a Mr. L. L. Dennett, who was a nice, pleasant gentleman, and who presented his case to the committee. Among other things he said he was forced to admit that his rights were nebulous and of doubtful origin. He merely wanted in if he could get in, but the committee concluded that he had no rights and could not come in. San Francisco needs the water badly and it was a chance for everyone to lay claims. Whether the telegram presented is from him or not I do not know, but so far as the Turlock-Modesto irrigation people are concerned their chambers of commerce and their boards of trade and their resolutions committees have sent to each of us very earnest and most emphatic approval of this bill.

In keeping with that I might call the gentleman's attention to the gentleman from California [Mr. CHURCH], who represents them, and to the gentleman from California [Mr. RAKER], who represents this Hetch Hetchy dam site. Their representatives are here and they know the fact. The truth is that San Francisco is bound by this bill to turn back into the regular channel of the stream more water than the irrigation people now get. San Francisco is to corral the melting snow and the rains that fall in the mountains and to use the water for their water-supply system and incidentally generate some power. It is estimated that they will generate a lot of power. They will; that is true. This bill is safeguarded by public-utility commissions and corporation commissions of the State of California, and is absolutely clothed with every conceivable regulation that the entire coterie of departments, Gifford Pinchot, and 20 members of the Committee on Public Lands, who spent some six months examining the matter, could possibly adopt. I think the gentleman from Missouri, perhaps, and the gentleman from Oklahoma [Mr. MURRAY], and one or two others, and I think the gentleman from Michigan [Mr. MACDONALD], believe that there is a little need of some additional provision with reference to forfeiture a little later on. Now, it is not——

Mr. HELM. Will the gentleman yield?

Mr. FERRIS. If I may proceed for just a moment, I will yield. It was the intention of the committee to absolutely prescribe forfeiture all the way through if San Francisco did not come up to its contract. In the first part of the bill, referring to the construction period, we have provided a most rigid forfeiture—we thought we had all the way through—if they do not without cessation construct the dam and the entire project. Again, we have adopted a strong clause for forfeiture in the

event of a sale or an attempted sale. But for the benefit of the gentlemen who think we ought to make it a little stouter, and to be on the safe side, a little later on the committee ought to offer an amendment or accept the amendment of somebody which will make the forfeiture provision a little more stringent.

Now, answering the gentleman from Minnesota [Mr. STEENERSON]. The gentleman fears we are not charging anybody for the water power. Of course this is a nonnavigable stream. They do not get the benefit of any stream at all. They erect a dam there and collect the water from the snows of the mountain. Mr. Pinchot said in his statement before our committee that the fact is this is the highest form of conservation. I wish gentlemen would read his statement. He says we come face to face with the proposition of whether we shall use things, or whether we shall let the melting snow during the flood period run idly into the sea.

Mr. STEENERSON. Will the gentleman yield?

Mr. FERRIS. In just a moment. The gentleman says that we are not charging enough. I do not know whether we are or not. Let me call your attention to one of the safeguards. On page 11, in lines 4 and 5, it says:

And for the remainder of the term of the grant shall, unless otherwise provided for by Congress, pay the sum of $30,000.

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

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

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

Mr. FERRIS. Now, this may be too much, and it may be too little. I call your attention to the fact that Congress has the right to put it in here as it ought to be. I assert that no living man can at this time tell what it ought to be.

I would be unwilling myself to fix the amount at the amount specified in the bill if that amount were to be allowed to remain forever. We may be too high. Many good, clear-headed men think we are too high. On the other hand, many good, clear-headed men think we are to low. Either may be right about it. But when we put in a provision like the one appearing in lines 4 and 5 we can not go very far amiss, because as soon as they get in motion, as soon as the construction period is over, and as soon as they have had time to operate it a little while Congress can take them by the throat and make them pay what they ought to pay. I think the thing is sufficiently safeguarded.

Now I will be glad to yield to the gentleman from Kentucky [Mr. HELM].

Mr. HELM. I understood the gentleman to admit that this bill carried with it a water-power proposition?

Mr. FERRIS. Undoubtedly, incident to the water supply.

Mr. HELM. San Francisco city and San Francisco County are the grantees?

Mr. FERRIS. Undoubtedly they are.

Mr. HELM. They are the beneficiaries of this bill?

Mr. FERRIS. Yes; but they pay a large sum for the rights they acquire.

Mr. HELM. Now, I want to know if the county of San Francisco is the only entity that can utilize this water power under your bill?

Mr. FERRIS. Not at all, and for two reasons. The first is——

Mr. STEENERSON. Then another question. You admit, then, that San Francisco city or San Francisco County can dispose of or sell this water power to some other entity?

Mr. FERRIS. Yes; to some other municipalities. There is no question about that, and they can sell it to their own people. There is no question about that, either.

Mr. MACDONALD. And they can sell it to other individuals?

Mr. FERRIS. Yes; there is no doubt about that.

Mr. HELM. That was the statement I made on Saturday in the discussion of this bill, and it was vigorously disputed by the proponents of this bill.

Mr. FERRIS. If it was so, I do not recall the colloquy, and I do not have it now before me. San Francisco could not sell to any soap manufacturer or ice manufacturer anything that they could resell, but they could sell it to them for their own use. Otherwise why would the city of San Francisco be expected to incur all this expense?

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I would like to have three minutes more.

The CHAIRMAN. Without objection, the gentleman will proceed for three minutes.

There was no objection.

Mr. FERRIS. Answering the question of the gentleman from Kentucky [Mr. HELM], I will say yes, undoubtedly, if the gentleman will pardon me. The city of San Francisco from the very nature of things must have the right to sell this commodity to her own people. Who or what are the people of San Francisco? Is it not made up of her own people, of her own corporations, of her own tramways, and every other purpose for which water and power can be used. They must have the right to sell to their own people, of course, for maintenance expenses, and to reimburse themselves for this expenditure of $77,000,000, and this money which they have already expended as the initial cost, and the $30,000 a year, and so forth. There is absolute necessity that they be permitted to use it. Otherwise they could not afford to construct it.

Mr. HELM. This $30,000 a year could be used for the purpose of operating a cotton mill or an aluminum plant or for mining purposes, could it not?

Mr. FERRIS. Not at all. This $30,000 can only be expended in improving the Federal Government's property, to wit, the national parks of California.

Mr. HELM. The city of San Francisco?

Mr. FERRIS. Yes; of course you must have some one to use the power.

Mr. HELM. The city of San Francisco is going to sell this right to run a cotton mill or an aluminum plant or to conduct mining operations to the citizens of San Francisco?

Mr. FERRIS. Yes; of course, the right to sell to its consumers is the principal thing that they are making the expenditure of $77,000,000 for. It is just the same with every municipally owned light, water, or power plant in the United States.

Mr. HELM. What they can sell to the citizens of San Francisco they can sell to a corporation organized by a group of San Francisco men, could they not?

Mr. FERRIS. Oh, no; because there is an express provision to the effect that they can not resell the power in any way. They can sell for use only with a positive restriction against sale for any resale purposes of any sort.

Mr. HELM. Do I understand that simply because Tom Jones lives in the city of San Francisco they could sell to Tom Jones the right to operate a cotton mill or an aluminum plant or to conduct mining operations?

Mr. FERRIS. Undoubtedly. That is what they are going to do. There is no doubt about that. San Francisco is expending $77,000,000 for what? The answer must be patent to all. To supply their people with water and with power.

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

The CHAIRMAN. Does the gentleman from Oklahoma yield to the gentleman from Texas?

Mr. FERRIS. Yes.

Mr. GREGG. They have the power to sell, and there is a restriction on the price to prevent them from charging an exorbitant price?

Mr. FERRIS. Yes. They have what in our State is called a corporation commission, which will look after that.

Mr. GREGG. The State or Federal law controls, does it not?

Mr. FERRIS. The State steps in and provides the amount or rate which they must charge. We had that matter up for consideration before our committee, and the committee considered it very carefully. They have the power to say who shall receive the water and how they shall receive it. Water is a very much sought commodity in that State and the California Legislature and the California Conservation Commission has been active to prevent extortion in every way.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. BURKE of South Dakota. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Oklahoma [Mr. FERRIS] be extended five minutes more.

The CHAIRMAN. The gentleman from South Dakota [Mr. BURKE] asks unanimous consent that the time of the gentleman from Oklahoma be extended five minutes. Is there objection?

There was no objection.

Mr. BURKE of South Dakota. If the gentleman will yield, I desire to ask him a question. Do I understand the gentleman to state that the language in lines 5 and 6 on page 11 would authorize Congress at some future time to increase the amount to be paid by the city of San Francisco above the sum of $30,000 annually?

Mr. FERRIS. Undoubtedly. That was the intention of everyone connected with it.

Mr. BURKE of South Dakota. If that was the intention, I think it would be better to change the language of the bill, because in my opinion while Congress might unquestionably have the right to relieve the city of San Francisco from paying as much as $30,000 a year, I do not believe that under that language it could ever increase the amount a dollar. The language is:

And for the remainder of the term of the grant shall, unless otherwise provided by Congress, pay the sum of $30,000 annually.

Mr. FERRIS. What does that language mean?

Mr. BURKE of South Dakota. This is a grant to the city of San Francisco, and you are providing that it shall pay for it a certain amount annually. In my opinion, Congress would not have the power to increase that to $200,000 or $300,000 at some future time without express authority, and you should so provide in this bill, so that there can be no question about what the intention of Congress is; in my judgment, the only interpretation that can be placed upon this language is that the city of San Francisco may be relieved from paying $30,000, but that it can not be made to pay more than $30,000 after this bill becomes a law, and the city complies with the conditions in the matter of the construction, and so forth.

Mr. FERRIS. If the gentleman's construction was the correct one, I should be just as much in favor of modifying this language as he is, but I can not understand the words to mean anything except what they plainly say, and this is what they say:

And for the remainder of the term of the grant shall, unless otherwise provided by Congress, pay the sum of $30,000 annually.

If my interpretation is the correct one Congress could come in at the end of 30 years and 1 day from the passage and approval of this bill and make San Francisco pay whatever Congress saw fit to make them pay. I do not know where the gentleman gets his rule of construction. If the gentleman had the correct construction, I would move an amendment to the bill; but I believe he has an erroneous construction. What can words mean which say "unless otherwise provided by Congress"? Can not Congress run the scale up as well as run it down?

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise for the purpose of allowing the gentleman from New York [Mr. FITZGERALD] to present a privileged report.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FOSTER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the Hetch Hetchy bill (H. R. 7207) and had come to no resolution thereon.

URGENT DEFICIENCY APPROPRIATION BILL.

Mr. FITZGERALD, from the Committee on Appropriations, reported the bill (H. R. 7898) making appropriations to supply urgent deficiencies in appropriations for the fiscal year 1913, and for other purposes; which was read a first and second time, referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report (No. 64), ordered to be printed.

Mr. MANN. Mr. Speaker, I reserve all points of order on the bill.

The SPEAKER. The gentleman from Illinois reserves all points of order on the bill.

Mr. FITZGERALD. Mr. Speaker, I give notice that I shall call up the bill at the earliest possible moment.

HETCH HETCHY.

On motion of Mr. FERRIS, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Hetch Hetchy bill (H. R. 7207), with Mr. FOSTER in the chair.

Mr. MACDONALD. Mr. Chairman, I do not wonder that the chairman of the committee and the members of the committee having charge of the bill are a little impatient at myself and other Members who are asking questions in regard to the provisions of this bill. The hearings, the report of the committee, and the report of the Advisory Board of Army Engineers furnish very ample and complete information, and there is no excuse for any Member not being thoroughly informed as to the provisions of the bill. But I must confess that it has taken me a long time in following the debate and considerable study of the report to find out what the bill really means, and I believe that there are many Members upon whom the responsibility of voting on the bill will finally rest who do not realize fully what is in the bill.

This bill, I believe, not only furnishes water to San Francisco, but contains within it a great governmental change of policy in regard to the conservation of our national resources. It means a change of policy in this very matter. The Army engineers in their very able and illuminating report, from beginning to end, sound a note of warning. They say, in effect, in the beginning and all through the report and at the end, "Look out; this is a water-power bill; look out."

On page 46 of the engineers' report they say: "The policy of the Department of the Interior as to granting privileges for making use of Government reservations for the development of power is not known to the board. Any general plan or policy could doubtless be made applicable to this case."

Mr. Garfield, Secretary of the Interior, who first granted a permit in this matter, put in a provision which will be found on page 8 of the engineers' report, being section 6, which is absolutely and diametrically opposed to section 6 in this bill.

It provides that "the city of San Francisco will, upon request, sell to the said Modesto and Turlock irrigation districts for the use of any land owner or owners therein for pumping subsurface water for drainage or irrigation any excess of electric power which may be developed, such as may not be used for the water supply herein provided and for the actual municipal purposes of the city and county of San Francisco, which shall not include sale to private persons nor to corporations."

This bill changes that and does include sale to private persons and corporations.

Mr. THOMSON of Illinois. Will the gentleman yield?

Mr. MACDONALD. For a question.

Mr. THOMSON of Illinois. For what purpose does it authorize the sale by the city of San Francisco to private persons and corporations?

Mr. MACDONALD. For commercial purposes.

Mr. THOMSON of Illinois. Where does the gentleman find that? It says that the city can sell their water power to private individuals or corporations for consumption, but not for the purpose of resale.

Mr. MACDONALD. I will answer the gentleman. On page 39 of the engineers' report it says the city of San Francisco put their request for a modification of the Garfield permit into precise language. They state exactly what they want, and this bill gives them exactly what they state they want in this paragraph. The paragraph reads as follows:

Development of electric power for municipal use and sale to irrigation companies, lease of power privileges for the development by other individuals or corporations.

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

Mr. MACDONALD. Mr. Chairman, I ask that my time be extended five minutes.

The CHAIRMAN. The gentleman from Michigan asks that his time be extended five minutes. Is there objection?

There was no objection.

Mr. MACDONALD. Now, paragraph F, same page, states the same matter more fully:

The city will be empowered under the new conditions to lease electric power or power privileges to private persons or corporations under proper regulations, instead of being limited, as by the Garfield permit, to municipal purposes and to the Turlock and Modesto irrigation district.

Mr. HELM. Will the gentleman yield?

Mr. MACDONALD. For a question.

Mr. HELM. Does this report of the Army officer show that a water supply could be secured from any other source?

Mr. MACDONALD. The report of the Army engineers shows that there are three or four other sources of supply which they say any one of which would furnish an ample amount of water and of sufficiently good quality, and that the only reason for preferring the Hetch Hetchy proposition is a matter of expense; that the Hetch Hetchy proposition has one commanding feature that the others have not, and that is that it is a gigantic power proposition. The Government engineers report that the initial development of power is 115,000 horsepower, with a dam 150 feet high. The bill provides for a dam 200 feet high, and the engineers report that it could be capitalized at $45,000,000.

Under the provisions of this bill any public-utility corporation owned by private persons can tap a conduit of this plant and use all the power it wants forever at the terms that it may make with the council of the city of San Francisco or the governing body of San Francisco County.

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

Mr. MACDONALD. I yield for a question.

Mr. HELM. How does the gentleman construe section 11, page 25, of this bill, which reads as follows:

SEC. 11. That this act is a grant upon certain express conditions specifically set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with the laws of said State.

Mr. MACDONALD. The question here is the question of what Congress is going to do with national resources, and nothing provided in the law of California can affect the contract that Congress makes here with the city and county of San Francisco. San Francisco here is contracting not in its municipal character but in its private character as a municipal corporation, outside of the bounds of its territory. The gist of the matter is, Mr. Chairman, then, that we as individual Members here are confronted with the responsibility of how we are going to vote on this change of governmental policy in regard to the turning over of the national resources. If we are in favor of turning over to the municipalities and the States the energy and power that may be developed from these natural resources, then we should vote for this bill. That is a question upon which gentlemen have different opinions and about which they ought to know before they vote.

The following statement, furnished at my request by the office of the National Conservation Association, of which Mr. Gifford Pinchot is president, I desire to call attention to as bearing upon the situation in California:

In the investigation on concentration of ownership and control in 1911 California was shown to have made rapid strides in water-power development. At that time California had a total development of 1,168,216 horsepower and led the rest of the country in developed commercial water power with 435,467 horsepower. Six distinct corporations, with their subsidiaries, controlled approximately 86 per cent of the developed power. The holdings of these companies were as follows:

	Horsepower.
Pacific Gas & Electric Co	118,343
Great Western Power Co	60,000
Northern California Power Co	46,900
Sierra & San Francisco Power Co	65,500
Southern California Edison Co	39,540
Pacific Light & Power Corporation	45,400
Total	375,683

The Pacific Gas & Electric Co. owned 27 per cent of the developed power in California, and in the San Francisco region dominated the situation. This company, with nearly 200,000 horsepower developed and 100,000 horsepower undeveloped, embraced a territory of 38,000 square miles. About two-thirds of the people of the State were in this territory, and 200 communities were served. The Great Western Power Co. controlled 14 per cent of the power then developed in northern California. The California Edison Co. and the Pacific Light & Power Corporation occupied the field near Los Angeles. These companies together owned practically all the available water powers in that part of California.

CONCENTRATION, 1913.

The Pacific Gas & Electric Co. to-day owns or controls the following companies: San Francisco Gas & Electric Co., California Gas & Electric Corporation, California Central Gas & Electric Co., Bay Counties Power Co., Standard Electric Co., South Yuba Water Co., the Central California Electric Co., Oak Gas Light & Heat Co., Sacramento Electric, Gas & Railway Co., United Gas & Electric Co., Stockton Water Co., Yuba Electric Power Co., Nevada County Electric Co., Central Electric Railway Co., Blue Lakes Water Co., Fresno Gas & Electric Co., Vallejo Gas & Light Co., California Central Electric Co. Ths company has 184,327 horsepower developed and 160,000 horsepower undeveloped, a total of 344,327 horsepower. Since the Bureau of Corporations report it has been gradually acquiring the few remainng power sites in the section it operates, and is to-day rapidly monopolizing the undeveloped water powers in central California. The company serves a population of 1,290,878, or 66 per cent of the State's population. It is capitalized at $41,998,750.

The Western Power Co. is a consolidation of the Great Western Power Co., the Golden States Power Co., the Western California Electric Co., and the Electric Co. of San Francisco. The company operates in northern California and serves the cities of Sacramento, Oakland, San Francisco, and vicinity. It owns 90,000 developed horsepower and 65,000 undeveloped horsepower on the Big Bend River, and water rights on the Feather River and the Big Meadows capable of developing 500,000 horsepower, a total of 655,000 horsepower. The company is capitalized at $20,000,000. This company delivers a large portion of its power to the Pacific Gas & Electric Co. The directors of this company are A. C. Bedford; B. F. Yoakum; A. W. Burchard; H. P. Wilson; F. H. Davis, New York; F. Lathrop Ames; R. B. Young; and C. F. Ayer, Boston. Of these directors A. C. Bedford is a director of the Electric Bond & Share Co., and A. W. Burchard is an officer and director of the General Electric Co.

The Northern California Power Co. is a consolidation of the Northern California Power Co., which controls the Redding Power Co., Kiswich Electric & Power Co., Redding Electric Light Co., Tehaine Electric Co., Redding Gas Co., Bellevue Co., Battle Creek Power Co., Willow Water & Light Co., Red Bluff Gas & Light Co., and Sacramento Valley Power Co. This company owns 57,000 horsepower developed and 124,000 horsepower undeveloped, a total of 181,000 horsepower. It has 46 substations and sells a large part of its power to the Pacific Gas & Electric Co.

The California Railway & Power Co., a holding company, is a consolidation of the Sierra & San Francisco Power Co., Coast Valley Electric Co., and United Railroads of San Francisco. The Sierra & San Francisco Power Co. owns 65,000 horsepower developed and 50,000 undeveloped, a total of 115,000 horsepower. A large part of this power is sold in Nevada. This company has transmission lines from Murphy and Sonora to San Francisco and sells power to several communities, as well as to the street railways in San Francisco. The company is capitalized at $45,000,000 and the directors are G. W. Bacon, J. D. Conner, Pat Calhoun, B. F. Guinne, Alexander J. Hemphill, S. H. Marsh, W. J. Maloney, R. B. Young, J. H. Reed, and M. B. Staring. Alexander J. Hemphill is a director of the Electric Bond & Share Co., which shows the relation of this company with the General Electric interest.

The Southern California Edison Co. is a consolidation of the Edison Electric Co. together with seven smaller companies. This company owns 42,500 horsepower developed on the Kern, Mohav, and Santa Anna Rivers, and serves a population of 800,000 in the vicinity of Los Angeles. The company has doubtless a general agreement with the Pacific Light & Power Co., as they do not enter into competition in the territory in which they are situated.

The Pacific Light & Power Corporation is a consolidation of the San Gabriel Electric Co. and Pacific Light & Power Co. It is controlled by stock ownership by H. M. Huntington. This company controls the San Joaquin Light & Power Corporation. It owns 45,400 horsepower developed and 10,000 undeveloped horsepower. This corporation controls 30 electric-lighting plants and 3 street railways. It sells power, heat, and light to Los Angeles, Fresno, and many small towns.

Mount Whitney Power & Electric Co. absorbed in 1911 the Mount Hood Water Power Co., Porterville Light & Power Co., Globe Light & Power Co., Visalia Gas Light & Heat Co., and Globe Traction & Power Co. It does the lighting and has the power in the towns of Visalia, Tulare, Porterville, Lindson, and smaller communities. The company serves a population of 50,000 and operates 460 miles of transmission lines. It owns 8,700 developed horsepower on the Kaweah River and 2,850 horsepower on the Tule River, a total of 11,550 horsepower.

Western States Gas & Electric Co. became a subsidiary of the Standard Gas & Electric Co. in 1912. This company has 10,000 horsepower developed and 1,500 developed on the American and Trinity Rivers. Its directors are H. M. Byllesly, president; F. W. Starrs, O. E. Osthoff, A. S. King, R. J. Grof, J. J. O'Brien, and W. J. Maloney. This company is controlled by the Byllesly interests.

Estimate of water-power development.

Owner.	Completed.	Undeveloped.	Total.
Pacific Gas & Electric Co	184,327	160,000	344,327
Western Power Co (General Electric interest)	90,000	565,000	655,000
Northern California Power Co	57,000	124,000	181,000
California Railway & Power Co	65,000	50,000	115,000
Southern California Edison Co	42,500	.....	42,500
Pacific Light Power Corporation	45,400	10,000	55,400
Mount Whitney Power Electric Co	8,700	2,850	11,550
Western States Gas & Electric Co. (Byllesby interest)	10,000	1,500	11,500
Snow Mountain Power Co	9,000	9,000	18,000
Orr Water, Light & Power Co	4,000	2,000	6,000
Los Angeles Bureau of Aqueduct	120,000	.....	120,000
Concerns with 1,000 but less than 3,000 horsepower	11,500	.....	11,500
Total	647,427	924,350	1,571,777

It is estimated by the Bureau of the Census (1908) that the potential water powers of California are 3,148,000 horsepower. It is therefore evident that nearly one-half the potential powers of this State have passed to private ownership, and of this amount two companies own 999,327, or about 75 per cent of the water power of California.

Mr. HELM. Just one further question. Is not the effect of this last section of the bill——

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

Mr. HELM. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Michigan be extended for five minutes.

Mr. FERRIS. Mr. Chairman, I must object to that. The gentleman has already had 10 minutes. I will have to object to any extension of time.

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

Mr. STEENERSON. Mr. Chairman, my amendment is pending, I suggest to the gentleman from Kansas.

Mr. MURDOCK. Very well. I shall talk to the gentleman's amendment.

Mr. Chairman, the assertion which has reached me with the greatest force this morning in the discussion of this question is the proposition that the power factor involved in the bill is really of more moment than the water supply element. I think that everyone here is in favor of supplying the city of San Francisco with this water from the Hetch Hetchy Valley, but I am fearful that one feature of the bill has not been drawn entirely with a view to the enormous potentiality there is in water power; that is, in the creation of electrical power out of water power as developed by modern scientific methods.

Some three years ago I had occasion to see a demonstration of what modern scientists can do with water power. About

100 miles out of the City of Mexico is what are known as the Falls of Necaxa. A small mountain stream drops off the plateau of central Mexico sheer 1,600 feet, 10 times the height of Niagara. A group of young American, German, and English engineers have constructed on the plateau of Mexico a chain of five or six reservoirs, have turned a little mountain brook into those reservoirs, and filled them with water. Then these young engineers drop this water in four 30-inch pipes 1,600 feet over the precipice, and the water passing through those four 30-inch pipes generate through turbines at the bottom of the precipice 50,000 horsepower. That horsepower runs virtually all of the elevators, all of the mills, the street-car systems, and furnishes the lighting of the City of Mexico. It was a revelation to me, and I think it would have been a revelation to most of the men here, could they have seen it—a small mountain brook so utilized that it actually placed under the control of one man at the power house the whole of the capital city of the Republic to the south of us. A single switch engineer, seated in front of a small marble switchboard, would be able, by turning down five or six switches, an operation that would not consume 10 seconds, to stop every street car and put out every light in the capital city.

The engineers say that 115,000 horsepower can be developed from Hetch Hetchy. I have been through the West. I have been in this particular section of the country. The great possible reservoir sites out there in the Pacific coast mountains make the thing which has been done outside the City of Mexico a great deal more possible throughout all the Pacific coast States, and I think that any law which has been drawn which is to determine, as has been said this bill will, a great national policy, should put particular emphasis upon the possibility of the development of power, should guard the Government's interests jealously, and I hope that the gentleman from Oklahoma [Mr. FERRIS] is absolutely right in his assertion that lines 5 and 6 in the pending section of this bill carry language under which Congress will have the power in 30 years to raise the annual pay for this privilege to the city of San Francisco, and if there is any doubt that the gentleman from Oklahoma is right, then a new section should be written into the bill which will remove all doubt in respect to it.

Mr. FERRIS. Well, now, I am in hearty agreement with the gentleman about that, and the only thought I had was not to run in any amendment that would cripple or change or make the bill ridiculous, and I know the gentleman does not want that to happen. The committee was of the opinion, and this bill has been submitted to the highest authorities on conservation, and has their strong approval and we have letters received from them——

Mr. MURDOCK. They may be mistaken.

Mr. FERRIS. I know that may be true enough, but we were of the opinion that too many words and too much language would serve as a matter of restraint rather than establish a clearer understanding. The gentleman understands that. Now, we were of the opinion that if we left the absolute proposition for Congress to provide what the rate or charge would be we certainly would be on the safe side.

Mr. MURDOCK. Now, while the gentleman is on his feet, I want to say I hope he is right about that, and I would like to ask in regard to the last section in this bill, Does it turn this great power and its utilization and control over to the State of California and to the city of San Francisco?

Mr. FERRIS. Oh, I do not think so. We, of course, must not invade the State laws where parties have prescribed water rights.

Mr. MURDOCK. Ought not the gentleman to be sure about that?

Mr. FERRIS. I am sure about that as far as that is concerned. This bill leaves the regulation with the State. The last section lets the public-utilities commission come in and fix what they shall charge so the city of San Francisco can not practice extortion, but it will enable the people to get their water supply cheaply and reasonably. We have worked it out so carefully in the committee, the departments have all considered it, and approve it. I feel sure it is well safeguarded.

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

Mr. RAKER. Mr. Chairman, I simply desire to submit a few remarks on the question involved in this amendment. The first thing I desire to say, however, is in regard to the telegrams. The gentleman who sent the first telegram is not even known by the Congressman who lives in that district and close to that vicinity. In regard to the one of Mr. Eugene J. Sullivan, I simply desire to call attention to the record in the hearings on page 343, in which the following questions and answers were given:

Mr. RAKER. Now, one of the principal reasons of your objection here is that you have a water supply that you believe is available?

Mr. SULLIVAN. Yes, sir.

Mr. RAKER. Your purpose is to present to the committee and convey to the committee the idea that your supply ought to be bought by the city and county of San Francisco.

Mr. SULLIVAN. Well, we say that it is an ample supply.

Mr. RAKER. But answer the question. I want to get it directly before the committee. Your proposition is to convey to the committee the idea that you have a good and sufficient water supply?

Mr. SULLIVAN. Yes, sir.

Mr. RAKER. And that it is the duty of San Francisco to buy your supply of water reservoir sites, etc.?

Mr. SULLIVAN. Yes, sir.

Now, can you imagine one man standing and holding up a large community of practically 700,000 people of the cities surrounding the bay, 400,000 of San Francisco, with a doubt as to whether the amount coming from the reservoir is to be ample to supply the city,-that he alone should say to Congress and say to San Francisco, "I have a water right and I want to hold you up, and you must therefore buy my water right or have none whatever"? He was given ample time; as the chairman of the committee said, the committee adjourned 10 days for him to appear here. That is the sum and substance of his testimony before the committee. Down further—I think it is well to call the attention of the gentleman from Michigan to that fact, claiming and believing in conservation—the leader of conservation in the departments, the Chief Forester of this country, has been Gifford Pinchot, and he came before the committee and unhesitatingly and unqualifiedly said that he did not oppose the bill and that it is in behalf of conservation and that the bill ought to pass. Now, has the gentleman gone into the features of it to say that the statement of the man who has given the last 20 years to that subject is wrong on this particular bill? Unquestionably not; and the testimony appears on pages 25, 26, and 27 of the hearings and in the report of the committee.

But the committee seems to lose sight to some extent of the fact that this is a municipality, one of the great cities of the West, that is striving and working to obtain a fresh supply of water for its inhabitants, to be controlled by the people under their own laws, to be controlled under the public-utilities act of the State of California, subject to the provisions of this bill. And can there be any comparison as to granting a right to a corporation or to an individual who is trying to develop a water power, as compared with a municipality, and when the city has paid the enormous sum of over $1,700,000 for its rights that it now holds in the park and in the reserve, and is willing to pay this large amount, not for any power right, not for any water right, but on the theory that it is a grant upon conditions of the land that the Government owns? It does not own the water. It is conceded by everyone that the water and water rights belong to the State.

The CHAIRMAN. The time of the gentleman from California [Mr. RAKER] has expired.

Mr. FERRIS. Could we not agree on time? The gentleman from Minnesota [Mr. STEENERSON] offered an amendment, and I think we have gone pretty well wide of the mark on that. I ask unanimous consent that at the expiration of 5 minutes, to be occupied by the gentleman from Illinois [Mr. THOMSON], that we have a vote on this amendment.

Mr. STEENERSON. I will say to the gentleman that I have 3 minutes left.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that at the expiration of 15 minutes all debate on this paragraph and amendments thereto be closed, the gentleman from Illinois [Mr. THOMSON] to have 5 minutes, the gentleman from Kentucky [Mr. HELM] 5 minutes, and the gentleman from Minnesota [Mr. STEENERSON] 3 minutes.

Mr. STEENERSON. Reserving the right to object, I would like to say to the gentleman that I have another amendment that I would like to discuss.

Mr. FERRIS. We can limit it to this amendment.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that all debate on this amendment close in 15 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. THOMSON of Illinois. Mr. Chairman, there seems to be some misgivings in the minds of some of the gentlemen here about the amount of compensation, and that seems to have arisen, in some measure, at least, because of doubt on the part of some as to the power possibilities in this bill. When this bill was

being considered by the committee I offered an amendment to section 6, line 16, as it appears in the bill, by adding the words "or electric energy." With those words in that section, the bill amounts to this, that San Francisco can take this water, and San Francisco may develop such power as it may develop from the drop of that water from the Hetch Hetchy to the level of the city reservoirs, and San Francisco may sell this water or electric energy—to whom? To any other municipality that may come in under the provisions of this bill, or to any private individual in the city for consumption, or to any corporation in the city for consumption, and only for consumption, and under this section it is absolutely impossible for San Francisco to sell a drop of water or a bit of electric energy to any private individual or to any corporation for the purpose of reselling it.

Mr. MACDONALD. I would like to ask the gentleman if a public-utility corporation could not buy a site along the conduit and tap the conduit and get all the water it needs to run its plant?

Mr. THOMSON of Illinois. No; it could not. I do not see any provision in this bill that would be capable of any such construction as would permit that. If the gentleman finds any clause in the bill that he thinks will permit that, I would like to see it. Where is it?

Mr. Chairman, this bill is a grant to these cities—to San Francisco and such other cities as may come in with the consent of San Francisco, under the same law.

Mr. HINEBAUGH. Does not section 6 expressly provide against the objection raised by the gentleman from Michigan [Mr. MACDONALD]?

Mr. THOMSON of Illinois. It does. Section 6 confines the privileges of this bill to the grantee, and the grantee in this bill is distinctly defined to be San Francisco and such other cities about the bay that may, by the consent of San Francisco, or by such law as may be in effect at the time the application is made, come in under the provisions of this bill.

Mr. MACDONALD. Will the gentleman yield?

Mr. THOMSON of Illinois. Certainly.

Mr. MACDONALD. I would like to call attention to the language used as to those representing the city, on page 8 of the engineers' report.

Mr. THOMSON of Illinois. I beg to call the attention of the gentleman from Michigan to the fact that the thing that is going to govern the use of this water and the use of this electric energy is this bill, and not the engineers' report.

Mr. MACDONALD. This is the statement of the committee of San Francisco, who stated to the committee that this bill gave them just what they wanted.

Mr. THOMSON of Illinois. Pardon me. Mr. Chairman, I want to call the gentleman's attention to the fact that they can not hope to do so, because this bill was not drafted until long after the report he speaks of was made. It may be that this bill contains language that the gentlemen may want; but what the bill drafted at that time may include is a different matter, because that bill was drafted months before.

Mr. MONDELL. Mr. Chairman, along the line of the inquiry made by the gentleman from Michigan [Mr. MACDONALD], allow me to call the gentleman's attention to lines 7, 8, and 9, on page 19:

And no power plant shall be interposed on the line of the conduit except by the said grantee or the lessee, as hereinafter provided—

And so forth.

In other words, there is an express prohibition of the sort of thing that the gentleman from Michigan fears.

Mr. THOMSON of Illinois. And it should be added, Mr. Chairman, that that lessee, unless it is a municipal corporation, is by the terms of the bill confined to somebody who wants to use this for consumption.

Mr. MACDONALD. I would like to ask the gentleman, Mr. Chairman, if the lessee does not mean the private individual or the corporation to whom or to which section 6 says this may be given or sold?

Mr. THOMSON of Illinois. Let me ask the gentleman this question: Will the gentleman state whether or not he has an objection, and if so, what that objection is, to the city of San Francisco selling electrical energy to somebody, either an individual or a corporation, solely for consumption and not for the purpose of reselling? What objection is there to that?

Mr. MACDONALD. It depends on whom the consumer is and what is the amount of power that is furnished.

The CHAIRMAN (Mr. WALSH). The time of the gentleman from Illinois has expired.

Mr. STEVENS of New Hampshire. Mr. Chairman, the chairman of this committee [Mr. FERRIS] stated that under the provision on page 11, line 5, "unless otherwise provided by Congress," Congress could increase or decrease the annual rental, and that that was the distinct intention of the committee.

If that is the intention of the committee, I think the language ought to be changed, and it ought to be specifically stated that Congress can increase the annual rental. Otherwise the point made by the gentleman from South Dakota [Mr. BURKE] is absolutely sound. This provision imposes a burden upon San Francisco. It is a contract between the United States and San Francisco, by which San Francisco must pay $30,000 a year, unless otherwise provided by the other party to the contract; and I think there can be no doubt but that it means a decrease or a waiving of it entirely and not an increase.

I think the position is exactly the same as if the gentleman held my note and it should read on that note that I must pay 6 per cent interest unless he specifically required otherwise; under that provision, in any court of law, he could not charge me 10 per cent, but he might charge me 5 per cent or 4 per cent or nothing. I think it should be specifically stated in here that Congress, which has imposed this burden, should be at liberty to increase it as well as decrease it.

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

The CHAIRMAN. Does the gentleman yield?

Mr. STEVENS of New Hampshire. Yes.

Mr. MURDOCK. Could there be anything to the detriment of San Francisco if this section provided that after the expiration of 30 years the rate paid by San Francisco to the Government should be such as Congress then provided?

Mr. STEVENS of New Hampshire. I think that is the way it ought to be.

Mr. MURDOCK. At that time, 30 years from now, the conditions might be entirely different from what they are now.

Mr. BRYAN. Mr. Chairman, I would like to know what the amendment is we are now considering. I would like to have the amendment reported again so that we can have it before us.

The CHAIRMAN. Without objection, the amendment will again be read.

There was no objection.

The Clerk read as follows:

Amend line 6, page 11, by inserting, after the word "annually," the following: "And the sum of 5 per cent upon the gross earnings from the sale of water power and electrical energy derived from said works," so that the paragraph as amended will read: "And for the remainder of the term of the grant shall, unless otherwise provided by Congress, pay the sum of $30,000 annually, and the sum of 5 per cent upon the gross earnings from the sale of water power and electrical energy derived from said works, said sums to be paid," etc.

Mr. STEENERSON. Mr. Chairman, I desire to be recognized.

The CHAIRMAN. The gentleman from Minnesota is recognized for three minutes.

Mr. STEENERSON. Mr. Chairman, I want to call the attention of the committee to the fact that the argument in favor of taking this reservoir in preference to other sources of water supply is based upon the proposition found in the engineers' report, that this proposition affords a cheaper water supply by $20,000,000, because the water-power privilege itself is worth $45,000,000.

I will read from page 23 of the report of the committee on this bill, being an extract from the Army board findings:

Construction of Tuolumne system as proposed by the city of San Francisco, to be extended over about 50 years, $77,000,000.

Against the above expenditure there will be developed 115,000 horsepower, having an estimated capitalized net value of $45,000,000.

The amendment I offer is not a tax upon the consumption of water for domestic purposes, but is a 5 per cent tax upon the gross earnings derived from the sale of power or electrical energy. I understand that the water will fall down a vertical distance of 4,000 feet to supply the people of San Francisco for domestic purposes, and still in that fall it will develop this power, worth that much. When we grant this much, it seems to me we ought to reserve 5 per cent upon those earnings. It is a reasonable proposition, and the gentleman from Michigan [Mr. MACDONALD] is absolutely right when he says that this is a most valuable concession, and that it is a change of policy to grant this valuable right to the city of San Francisco. The fact that it is a municipality makes no difference. It stands on the same basis as if it was granted to an individual. The fact is pointed out here that this bill attempts to restrict the sale

of power to consumers of power. That really makes no difference, because the Standard Oil Co. might use this power for refining their gasoline.

Mr. KENT. If the gentleman is going to calculate it on that basis, and to ignore the fact that it is for general public use and benefit, he ought to realize that San Francisco owns over half the real estate now in fee simple, and so he ought to cut down his estimate.

Mr. STEENERSON. I have made the estimate as far as my reasoning and understanding enables me to make it, fairly and justly, and I take the engineers' report for it. It seems to me that 5 per cent of these earnings is perfectly fair. The city of San Francisco might lease this power, whether in the form of electrical energy or direct water power, to the greatest monopoly in the world. The fact that the city of San Francisco will do it does not make any difference.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HELM. Mr. Chairman, I hope that the chairman of this committee and the other members composing it will not conclude that there is anything personal in my comments or criticisms upon this bill. I am only undertaking as best I can to direct the attention of the committee to what I consider some very vital and important features of it. I believe I am right.

The argument has been advanced here that you are creating something out of nothing. I grant you that is true, and wherever that can be done it should be done. But I want my friends on this committee to bear in mind that you are handling a big proposition, a $77,000,000 proposition. That of itself ought to direct and focus the attention of every man here who is now trying to find the right thing to do on this bill, the right course to pursue; and I hope that when this bill shall have been passed, there will be no criticism attaching to it similar to the criticisms that attach to matters with which Mr. Ballinger had to deal. I hope that when this bill passes it will be a credit to the chairman and the Democratic membership as well as the Republican membership of this committee, and a credit to the Democratic Party. I am somewhat apprehensive that this bill is not as well safeguarded as it ought to be; and with all good will, with the best intention, I am offering my suggestions in the hope that if I am misinformed, that if I have misinterpreted the language of this bill, that when it shall become a law it will be a credit to you and to the Democratic Party, and not a liability.

Mr. FERRIS. Will the gentleman yield?

Mr. HELM. In just a moment. It is true that this is a valuable franchise, and that if you can create a $45,000,000 proposition out of nothing, that is a good thing. So far so good. But when you talk about Congress catching San Francisco by the throat and strangling it out of $30,000 per annum, if I believed that it was the intention of this bill, or that there was anything in this bill that could be used to get a strangle hold upon the city of San Francisco, I would not, if I was a member of the committee, support the bill. That sounds pathetic indeed; but while Congress is putting a strangle hold upon the city of San Francisco, let us see well to it that this House is not putting a strangle hold upon some one else, and is not creating rights here the profits of which in this enormous enterprise will find their way into pockets that you do not now dream of, and whose interests do not appear on the face of this bill.

It is a great thing to produce something out of nothing. The transcontinental railroads were of incalculable benefit to the United States, but the scandalous land grants that accompanied them are still a stench in the nostrils of you men from the West who frequently take this floor and who are undertaking now through the Department of Justice to get back a part of that vast domain of public land which was unduly granted them when the charters were granted.

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

Mr. HELM. Mr. Chairman, I ask that my time be extended three minutes.

Mr. FERRIS. I want to indulge the gentleman, but the time was fixed by unanimous consent. However, I have no objection.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HELM. It would be a great thing to develop the enormous resources of Alaska, its copper and coal mines. They are now of no value to the community as they lie, but I for one would not turn over all the copper, coal, and gold mines in Alaska to the Guggenheims for the purpose of creating something out of nothing. When you are passing upon this bill, when you are undertaking to do what you consider justice to the people of San Francisco, carry along with you in your minds the fact that it would be as valuable to somebody, or to a few persons, to turn over all the copper in the great Alaskan fields so that somebody could be given the use of it. But I mistake the spirit of the American people if it is their sentiment that these enormous benefits are to be turned over to be made the profit of a few. This property belongs to the American people, and it is the duty of a well-directed Congress to see that the powers that here are being solemnly granted by this bill are granted without conferring upon any private individuals or corporations, or a few people, the right to make stupendous profits out of it. As the gentleman from South Dakota directed the attention of the House, that when once you pass this bill you have erected a barrier behind which you can not go, I ask that this House deal with this bill with that calm consideration that its magnitude requires should be given it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. STEENERSON].

The question was taken; and on a division (demanded by Mr. STEENERSON) there were—ayes 21, noes 35.

So the amendment was lost.

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

The Clerk read as follows:

On page 11, line 5, after the word "shall," strike out the words "unless otherwise provided by Congress," and insert in lieu thereof the words "unless in the discretion of Congress the same should be increased or diminished."

Mr. STEENERSON. Mr. Chairman, I offer the following amendment as an amendment to the amendment by way of a substitute.

The CHAIRMAN (Mr. FOSTER). The Clerk will report the amendment.

The Clerk read as follows:

Substitute for the amendment by inserting the following: "and the right to increase said charge at the discretion of Congress is hereby expressly reserved."

Mr. MURDOCK. Mr. Chairman, I would like to ask the gentleman from Minnesota wherein his proposed substitute differs from the amendment offered by the gentleman from Oklahoma?

Mr. STEENERSON. I think it is better language. It says that we expressly reserve the right to increase it. The other language is vague and indefinite.

Mr. MURDOCK. I do not think it is vague or indefinite.

Mr. STEENERSON. Mr. Chairman, I ask that the two amendments, the one offered by the gentleman from Oklahoma and my substitute, be again reported.

The CHAIRMAN. Without objection, the two amendments will be again reported.

There was no objection, and the Clerk again read the amendment and the substitute.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Minnesota [Mr. STEENERSON].

Mr. STEENERSON. Mr. Chairman, the usual language in grants of this kind where the right to increase the charge is desired is the language that I have used in my substitute. The language which the gentleman from Oklahoma proposes I do not believe can be found in any grant of this kind. Take the tax on railroads on the gross earnings and you will find that the right to increase the charge is expressly reserved. That is only embodied in the language offered by the gentleman from Oklahoma by implication. It seems to me that Congress ought to expressly reserve the right because we can not tell what this power will be used for. The power controls many things—transportation, telegraph, telephones, and various electrical service. The city of San Francisco in having the right to furnish this at any price it may see fit controls the destinies not only of many cities but individuals. Granted that it can only be sold to consumers, yet the power is a very great power. One hundred and fifteen thousand horsepower would be generated, which would run electric car lines, railroads, refineries, reducing works, smelting works, to which you would ship your ore from the mountains, and they could charge such a ridiculously low price to one man as to destroy the business of a neighboring smelting works. The city of San Francisco may be a very good city now. We have heard various things about it in the past. They have had their scandals, they have had their Abe Reuf and corrupt councils, and we can not tell what they will do with this momentous power of fixing the transportation rates for 150 to 300 miles out of San Francisco.

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

Mr. STEENERSON. Mr. Chairman, I will say that I will be glad to yield to the gentleman from Kansas, especially in view of the fact that I hope he will change his position, and that instead of voting against my amendment he will vote for it.

Mr. MURDOCK. I do not intend to vote against the gentleman's amendment. I want to find out what it will do. Is the gentleman's amendment intended to apply to the annual payment of $15,000 and the annual payment of $20,000 as well as to the annual payment of $30,000?

Mr. STEENERSON. It applies to all payments.

Mr. MURDOCK. From the beginning?

Mr. STEENERSON. It applies to everything, because it is placed at the end of the payments specified. There are certain payments specified in the grant, and at the end of those specified payments I put in an amendment that the right to increase these charges is expressly reserved to Congress.

Mr. MURDOCK. I am in sympathy with the gentleman's amendment.

Mr. STEENERSON. His vote did not indicate it awhile ago. I thought he was in favor of it when he prompted the gentleman from Michigan, but when it came to a vote he voted the other way. He voted against conservation.

Mr. MURDOCK. I did nothing of the sort.

Mr. MANN. Oh, he was the one man who voted with the gentleman from Minnesota.

Mr. STEENERSON. Then I stand corrected.

Mr. BRYAN rose.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that debate on this amendment close in seven minutes, five minutes to be given to the gentleman from Washington and two minutes to myself.

The CHAIRMAN. Is there objection?

Mr. THOMSON of Illinois. Mr. Chairman, I desire to offer an amendment in the nature of a substitute, but I want to wait until the substitute at present under consideration is voted upon.

Mr. MANN. I suggest to the gentleman that he give notice that he will offer it.

Mr. THOMSON of Illinois. I wish to give notice that I desire to offer an amendment in the nature of a substitute for the original amendment and to have it pending.

The CHAIRMAN. There is already one substitute pending. Is there objection to closing the debate in seven minutes?

Mr. MANN. Mr. Chairman, reserving the right to object, did not the gentleman from Illinois desire a moment to explain his amendment?

Mr. FERRIS. Mr. Chairman, I will yield the gentleman time in which to make an explanation.

Mr. THOMSON of Illinois. I understood from the chairman of the committee that I would have time enough in which to explain the substitute after the present substitute is voted upon.

The CHAIRMAN. The Chair hears no objection.

Mr. BRYAN. Mr. Chairman, it pleases me, and it ought to please every Member in Congress, to see gentlemen who have been a number of years in Congress endeavoring now to provide some means for revenues from these water-power sites. Perhaps the distinguished gentleman from Minnesota [Mr. STEENERSON]—and I have no issue with him at all—has not thought of the fact that John Hays Hammond or some of his associates practically got all of these water-power rights from the Government while the gentleman was a Member of Congress without paying a penny for them, and that water-power sites throughout the West have been given——

Mr. MANN. Oh, the gentleman is in error in respect to that.

Mr. BRYAN. And that water-power sites, whether they were acquired during the term of the gentleman from Minnesota or not, have been given during the term of Members who now sit in Congress without the payment of any consideration to the Government, and large sums have been exacted for those rights by the parties who acquired them or they have been made a source of very great profit to private interests.

In this case this particular remnant of the Hetch Hetchy proposition is being ceded over to the people of that district. It is not being ceded over to any private corporation, and there are safeguards about it protecting it from any kind of exploitation.

I believe that this does mark an epoch. I believe it marks an important epoch in the history of the disposition of water-power sites and holdings of this kind. I am not surprised that the gentleman from Wyoming [Mr. MONDELL] should raise that question and should suggest that it is a very important course that we are verging upon. If we require hereafter all of these people who want water-power sites, especially those who want them for private corporate purposes, who expect to turn the water-power sites and electrical energy generated into commercial purposes exclusively for private profit, to pay what the water right is worth, we will have instituted a new policy—we will have begun a new régime—and instead of owning but a small fragment of the water right, as in the present case, through which we will obtain a few thousands of dollars per annum, while the other part of the right has been taken for practically nothing, we will find that the revenues of the Government will be protected, that the people will be protected, and that all of us will stand in a better light and better credit among our people and those to whom we should account.

Mr. HELM. Will the gentleman yield?

Mr. BRYAN. I must decline, as I am nearly through and have only a few moments left. Right here within a stone's throw or a short distance from the city of Washington is a magnificent water-power site, Great Falls. The people of Washington do not enjoy the benefit of it; not at all. It has passed to private hands, passed from the Government as private property. So the water-power rights of the entire country, particularly in the eastern part of the country, where the country has been populated for a long time, have passed away from the Government for nothing. Out in the West the people are going to control this and they are not going to use these water rights for private purposes. I am glad enough to see a different régime started, and I am glad to see those gentlemen who have been here for the last 11, 12, and 13 years recanting, forgetting their past methods, and desiring to change them in a more improved and reasonable way.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BRYAN. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. STEENERSON. I desire to state to the gentleman that as far as water power and conservation is concerned I have nothing to recant and nothing to regret in regard to my record, and that record is in perfect harmony with what I am now advocating.

Mr. BRYAN. I am glad to hear the statement, and I have no doubt it is absolutely correct. I know the gentleman is making a conscientious fight.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. STEENERSON) there were—ayes 20, noes 34.

So the substitute was rejected.

The CHAIRMAN. The question is on the amendment of the gentleman from Illinois.

Mr. FERRIS. Mr. Chairman, I ask to modify my amendment in one or two words.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to modify his amendment.

Mr. STEENERSON. Mr. Chairman, I suggest to the gentleman from Oklahoma that if he accepts my language he will improve the amendment.

The Clerk read as follows:

Modify the amendment by striking out the word "sum" and inserting the words "annual charge," so that the language will read: "unless in the discretion of Congress the annual charge should be increased or diminished."

The CHAIRMAN. The Clerk will now report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Page 11, line 5, after the word "shall," strike out the words "unless otherwise provided by Congress" and insert the following after the word "annual," in line 6: "or such sum as Congress may provide."

Mr. THOMSON of Illinois. Mr. Chairman, my amendment is practically the amendment of Mr. FERRIS, except it places this language which gives Congress the right to change this sum in its logical and proper place.

I think something of the doubt about this language that arose originally in the minds of some of the gentlemen here was because of this "unless" clause coming in before the annual payment was mentioned, but if we say that before the termination of the grant they shall pay the sum of $30,000 annually, or such sum as Congress may provide, it will give the Government the right to change that sum one way or another. I think such right ought to be reserved.

Mr. FERRIS. I have no objection to it, but I thought it was too much like the language in the bill to satisfy all these gentlemen.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Illinois [Mr. THOMSON].

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

Mr. THOMSON of Illinois. I ask for a division, Mr. Chairman.

The committee divided; and there were—ayes 10, noes 26.

So the substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. FERRIS].

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

Mr. MURRAY of Oklahoma. Mr. Chairman, I desire to offer an amendment.

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

Mr. FERRIS. Mr. Chairman, I wonder if we can have an agreement? I ask unanimous consent that the debate on this amendment close at the end of five minutes.

The CHAIRMAN. The Clerk will first report the amendment.

The Clerk read as follows:

Page 11, line 7, insert before the word "said" the following: "until otherwise provided by Congress."

Mr. FERRIS. Mr. Chairman, I think that is a good amendment.

Mr. MURDOCK. Mr. Chairman, I would like to ask the gentleman from Oklahoma [Mr. MURRAY] what he seeks to accomplish by that amendment?

Mr. MURRAY of Oklahoma. I will state this: You change the capital "S" to a small "s" in the word "said" and insert the phrase before it "until otherwise provided by Congress."

In the event that this sum shall grow to any very large degree, we want it fixed so it might be used for other purposes. As long as it is a small amount, like the sum fixed here, of $30,000, so long should it be used there.

Mr. MURDOCK. That is, the gentleman's amendment applies to the succeeding sentences and not to the matter we have just had?

Mr. MURRAY of Oklahoma. Certainly.

Mr. MANN. The gentleman admits the provision is wrong, but that it is such a little wrong that he asks us to vote to sustain the little that is wrong?

Mr. HELM. I want to ask the gentleman from Oklahoma [Mr. MURRAY] a question.

Mr. MURRAY of Oklahoma. I yield for a question.

Mr. HELM. What is it that San Francisco is paying $30,000 for?

Mr. MURRAY of Oklahoma. I do not know anything about that. The bill here provides——

Mr. HELM. What does it get for the $30,000?

Mr. MURRAY of Oklahoma. Who?

Mr. HELM. San Francisco.

Mr. MURRAY of Oklahoma. I do not know as that has anything to do with the amendment.

Mr. HELM. I was just asking for information.

Mr. MURRAY of Oklahoma. I do not think I could inform the gentleman.

Mr. HELM. Then I will ask the chairman of the committee.

Mr. FERRIS. I hope the gentleman will not leave the amendment and the question for new fields; but my answer will be that we do grant them the right to construct a dam in a gorge in the Hetch Hetchy Valley, at the expense of $77,000,000 to San Francisco, without one penny of cost to the Government. And in addition to that they spend approximately one million in improving the roads and making something of the park. They have already spent three-quarters of a million of dollars in buying land and making investigations under authority from the United States. They own two-thirds of the floor of the valley now in fee simple. And that is, I should say, one of the bases on which we make this grant, and Congress reserves the right to charge them more or less as time goes on. There is every safeguard in the bill that can be devised without destroying the grant. There never was a more just and progressive conservation bill.

Mr. TALCOTT of New York. Does not the $77,000,000 involve other dams?

Mr. FERRIS. Yes; as a part of this system, if they desire to construct them.

Mr. TALCOTT of New York. That is included in the $77,000,000?

Mr. FERRIS. Yes; those figures are the estimate for a completed system, including the entire supply.

Mr. TALCOTT of New York. There is another dam contemplated at Lake Eleanor and one at Cherry Creek?

Mr. FERRIS. There are three in all.

Mr. TALCOTT of New York. The $77,000,000 includes the three dams and not the one at Hetch Hetchy alone?

Mr. FERRIS. Yes. And I will say to the gentleman that the other dams are higher up in the mountains, so that they can save a larger amount of water, otherwise some of the water at flood times would flow over the dam and into the sea, a total waste to everyone.

Mr. TALCOTT of New York. And the plan is not to complete all the dams at the same time, but to complete the Hetch Hetchy Dam first, and Lake Eleanor next, and the Cherry Creek Dam next?

Mr. FERRIS. I have forgotten the order of the last two, but I think the gentleman is correct.

Mr. TALCOTT of New York. The idea is not to develop them all at once. So the initial expense will be $21,000,000?

Mr. FERRIS. They have voted $45,000,000 altogether.

Mr. TALCOTT of New York. The expense of the Hetch Hetchy Dam will be about $21,000,000?

Mr. FERRIS. A larger sum than that.

Mr. HELM. Do I understand the gentleman that they have floated $45,000,000?

Mr. FERRIS. They have voted that amount.

Mr. HELM. As I understand, San Francisco pays $30,000 annually for 20 years.

Mr. FERRIS. Yes, sir; almost that. It is a graduated charge, subject after 30 years to be changed by Congress up or down as the facts warrant.

Mr. HELM. It gets a water supply, it gets a $45,000,000 water-power proposition, and has the right to sell for irrigation and municipal purposes an unlimited source of water?

Mr. FERRIS. No; the gentleman gets wrong about irrigation, because there are limitations here that make them put the water all back for the San Joaquin Valley and other places where prescribed rights have attached.

Mr. HELM. But there are provisions that do not require them to put it back. There are provisions in there for charges for irrigation purposes.

Mr. FERRIS. That is to make them restore that and carry out the provisions that were already made. The gentleman would not want us to overthrow vested rights, I am sure.

Mr. HELM. What I would like to do is to strike a balance. San Francisco votes bonds to the extent of $77,000,000.

Mr. FERRIS. They have not yet done so, but they anticipate doing it.

Mr. HELM. They have voted already $45,000,000, have they not?

Mr. FERRIS. Yes.

Mr. HELM. Now, they get in return for that the water supply for all these cities and municipalities, and they are to get paid for that water furnished, and they have got this $45,000,000 proposition.

Mr. FERRIS. The gentleman could figure it that way, if he likes, but——

Mr. HELM. Is not that a very cute proposition for San Francisco?

Mr. FERRIS. Here is the situation: The snows and rains are now flowing into the sea, and it is an absolute waste to San Francisco, the irrigationists, and the Government. I would like to ask the gentleman how long does he think it would take us to get the Federal Government to appropriate $77,000,000 to go out there and dam up that gorge? It is a well-known fact that the Federal Government can not and will not undertake it. San Francisco will do it and only asks the chance.

Mr. HELM. As to that, I do not know of any case that stands exactly on all fours with this proposition, but I know that the Government has heretofore erected tremendous dams, either in Arizona or New Mexico, at an enormous expense.

Mr. FERRIS. Not for cities, but for irrigation.

Mr. HELM. I understand all that, but the revenues and the incomes are enormous.

Mr. FERRIS. This is what we have done: We have spent $60,000,000 for irrigation and have got nothing back in return yet. We only hope we may get the principal back, which is doubtful. We would be awful glad to get the original money back. Here is a proposition for a great improvement and a

great saving and conserving of our national resources that will cost the Government not a cent, and the $77,000,000 is to come from San Francisco.

I ask for a vote, Mr. Chairman.

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

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 8. That the word "grantee" as used herein shall be understood as meaning the city and county of San Francisco and such other municipalities or water district or water districts as may, with the consent of the city and county of San Francisco or in accordance with the laws of the State of California, hereafter participate in or succeed to the beneficial rights and privileges granted by this act.

Mr. ROGERS. Mr. Chairman, I move to amend section 8 by striking out the words "water district or water districts," in lines 17 and 18, and substituting in place thereof the following: "municipal water districts or irrigation districts."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Massachusetts [Mr. ROGERS]. First, will the gentleman read his amendment again?

Mr. ROGERS. Strike out the words "water district or water districts," in lines 17 and 18, page 11, and substitute in place thereof the words "municipal water districts or irrigation districts."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 11, lines 17 and 18, by striking out the words "water district or water districts" and inserting in lieu thereof the words "municipal water districts or irrigation districts."

Mr. FERRIS. Mr. Chairman, what does the gentleman seek to accomplish by that?

Mr. MONDELL. Mr. Chairman, will the gentleman yield to me for a second?

The CHAIRMAN. Does the gentleman yield?

Mr. ROGERS. Yes; I yield.

Mr. MONDELL. I desire to call the gentleman's attention to the fact that this is simply a definition of the language that occurs on page 2 of the bill, and he can not very well change this language unless he goes back and changes the title of the grantee. The grantee, on page 2 of the bill, beginning with line 10, is thus described:

The city and county of San Francisco and such other municipalities and water districts as, with the consent of the city and county of San Francisco or in accordance with the laws of the State of California in force at the time application is made, may hereafter participate in the beneficial use of the rights and privileges granted by this act.

Now, the language the gentleman has just read is a definition of that statement in the grant.

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

Mr. ROGERS. Yes.

Mr. MANN. The gentleman from Massachusetts [Mr. ROGERS] is seeking to make the bill conform with itself. Now, the gentleman from Wyoming refers to the language on page 2, when in section 6 the prohibition against selling water is against anyone selling water except a municipality, a water district, or an irrigation district. Now, the gentleman from Massachusetts offers an amendment over here as to the definition of what the word "grantee" means, so as to cover the municipal water district or the irrigation district referred to in section 6.

Mr. MONDELL. Let me suggest to the gentleman that an irrigation district can not be made a grantee under this act unless you change the language on page 2 which I have just read, because that is the language that defines the grantee.

Mr. ROGERS. Under the provisions of section 6 the grantee is permitted to assign to various public institutions, among which are:

A municipality or a municipal water district or irrigation district.

It seems to me that clearly we should have here in section 8 uniformity with the provisions of section 6. It may be that section 6 is wrong, but at all events section 8 should be made to agree with it. The gentleman from Illinois [Mr. MANN] has stated the case in a nutshell.

Mr. THOMSON of Illinois. The language of section 6, referring to a municipal water district or irrigation district, does not refer to the grantee or a part of the grantee, but to an assignee of the grantee, or a possible assignee, and does not seek to make the municipal water district or irrigation district a grantee of this grant; but it qualifies what the grantee, the city of San Francisco or the other bay cities, may sell to a municipal water district or irrigation district. It is not a grantee nor does it seek to make it a grantee, but qualifies it as a possible assignee of the grantee.

Mr. ROGERS. Section 8 seems to attempt to include assignees of the grantee within the word "grantee."

Mr. THOMSON of Illinois. Mr Chairman, as I understand section 8, and as I believe we all understood it on the committee, the language of that section does not refer in any way to any possible assignee of a grantee, but it is solely a definition of the grantee—

and such other municipalities or water district or water districts—

And that refers to the municipal water districts around the bay—

as may, with the consent of the city and county of San Francisco, or in accordance with the laws of the State of California, come in.

There may be a municipal water district outside of that bay district that may want to come in as an assignee.

Mr. ROGERS. May there not be irrigation districts?

Mr. THOMSON of Illinois. As an assignee, but not as a grantee. They should not come in as grantees, but they ought to be permitted to come in as assignees if they wish to.

Mr. FRENCH. As a matter of fact the only irrigation districts that will draw water or will be benefited in any way will be the Turlock and Modesto, which are already in possession of a water system that will furnish them abundant water.

Mr. ROGERS. I am free to say that I see no sufficient explanation of the divergence in the text between the language of section 8 and the language of section 6. If there is any explanation I should be glad to withdraw the amendment.

Mr. THOMSON of Illinois. They refer to two different things.

Mr. RAKER. Has the gentleman concluded?

Mr. ROGERS. No; but I am glad to yield to the gentleman from California.

Mr. RAKER. The language in section 8 provides—

That the word "grantee" as used herein shall be understood as meaning the city and county of San Francisco and such other municipalities or water district or water districts as may, with the consent of the city and county of San Francisco or in accordance with the laws of the State of California, hereafter participate in or succeed to the beneficial rights and privileges granted by this act.

Now, those who can participate under the bill would be the city and county of San Francisco and some 10 cities comprising the bay district outside of the city and county of San Francisco, and the only irrigation districts which can qualify under the laws of the State of California are down in the San Joaquin or up in the Sacramento Valley. They could not come in under this bill. They are not a part of this water district.

Mr. ROGERS. Are there not irrigation districts that may be comprehended, or desire to be comprehended, within the provisions of section 8?

Mr. RAKER. No; they could not, and it would not be right; because another provision of the bill contains the express condition that the water taken from the Tuolumne River or this watershed can never be conveyed out of the watershed, except that which is needed for San Francisco for domestic purposes, so as to leave the remainder of the water that may be in this watershed to be utilized in that San Joaquin Valley, where there are in the neighborhood of 7,000,000 acres of land. This is for that purpose and that alone, and does not relate to the same ones provided for in section 7.

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

The question was taken, and the amendment was lost.

The Clerk, proceeding with the reading of the bill, read as follows:

SEC. 9. That this grant is made to the said grantee subject to the observance on the part of the grantee of all the conditions hereinbefore and hereinafter enumerated:

(a) That upon the completion of the Hetch Hetchy Dam or the Lake Eleanor Dam, in the Yosemite National Park, by the grantee, as herein specified, and upon the commencement of the use of any reservoirs thereby created by said grantee as a source of water supply for said grantee, the following sanitary regulations shall be made effective within the watershed above and around said reservoir sites so used by said grantee:

First. No human excrement, garbage, or other refuse shall be placed in the waters of any reservoir or stream or within 300 feet thereof.

Second. All sewage from permanent camps and hotels within the watershed shall be filtered by natural percolation through porous earth or otherwise adequately purified.

Third. No person shall bathe, wash clothes or cooking utensils, water stock, or in any way pollute the water within the limits of the Hetch Hetchy Reservoir or any reservoir constructed by the said grantee under

the provisions of this grant, or in the streams leading thereto, within one mile of said reservoir; or, with reference to the Hetch Hetchy Reservoir, in the waters from the reservoir or waters entering the river between it and the "early intake" of the aqueduct, pending the completion of the aqueduct between "early intake" and the Hetch Hetchy Dam site.

Fourth. The cost of the inspection necessary to secure compliance with the sanitary regulations made a part of these conditions, which inspection shall be under the direction of the Secretary of the Interior, shall be defrayed by the said grantee.

Fifth. If at any time the sanitary regulations provided for herein shall be deemed by said grantee insufficient to protect the purity of the water supply, then the said grantee shall install a filtration plant or provide other means to guard the purity of the water. No other sanitary rules or restrictions shall be demanded by or granted to the said grantee as to the use of the watershed by campers, tourists, or the occupants of hotels and cottages.

(b) That the said grantee shall recognize the prior rights of the Modesto irrigation district and the Turlock irrigation district as now constituted under the laws of the State of California, or as said districts may be hereafter enlarged to contain in the aggregate not to exceed 300,000 acres of land to receive 2,350 second-feet of the natural daily flow of the Tuolumne River, measured at the La Grange Dam, whenever the same can be beneficially used by said irrigation districts, and that the grantee shall never interfere with said rights.

(c) That whenever said irrigation districts receive at the La Grange Dam less than 2,350 second-feet of water, and when it is necessary for their beneficial use to receive more water the said grantee shall release free of charge, out of the natural daily flow of the streams which it has intercepted, so much water as may be necessary for the beneficial use of said irrigation districts not exceeding an amount which, with the waters of the Tuolumne and its tributaries, will cause a flow at La Grange Dam of 2,350 second-feet; and shall also recognize the rights of the said irrigation districts to the extent of 4,000 second-feet of water out of the natural daily flow of the Tuolumne River for combined direct use and collection into storage reservoirs as may be provided by said irrigation districts, during the period of 60 days immediately following and including April 15 of each year, and shall during such period release free of charge such quantity of water as may be necessary to secure to the said irrigation districts such 4,000 second-feet flow or portion thereof as the said irrigation districts are capable of beneficially directly using and storing below Jawbone Creek: *Provided, however,* That at such times as the aggregate daily natural flow of the watershed of the Tuolumne and its tributaries measured at the La Grange Dam shall be less than said districts can beneficially use and less than 2,350 second-feet, then and in that event the said grantee shall release, free of charge, the entire natural daily flow of the streams which it has under this grant intercepted.

(d) That the said grantee whenever the said irrigation districts desire water in excess of that to which they are entitled under the foregoing, shall on the written demand of the said irrigation districts sell to the said irrigation districts from the reservoir or reservoirs of the said grantee such amounts of stored water as may be needed for the beneficial use of the said irrigation districts at such a price as will return to the grantee the actual total costs of providing such stored water, such costs to be computed in accordance with the currently accepted practice of public cost accounting as may be determined by the Secretary of the Interior, including, however, a fair proportion of the cost to said grantee of the conduit, lands, dams, and water-supply system included in the Hetch Hetchy and Lake Eleanor sites; upon the express condition, however, that the said grantee may require the said irrigation districts to purchase and pay for a minimum quantity of such stored water, and that the said grantee shall be entitled to receive compensation for a minimum quantity of stored water and shall not be required to sell and deliver to the said irrigation districts more than a maximum quantity of such stored water to be released during any calendar year: *Provided, however,* That if the said irrigation districts shall develop sufficient water to meet their own needs for beneficial use and shall so notify in writing the Secretary of the Interior, the said grantee shall not be required to sell or deliver to said irrigation districts the maximum or minimum amount of stored waters hereinbefore provided for, and shall release the said districts from the obligation to pay for such stored water: *And provided further,* That said grantee shall without cost to said irrigation districts return to the Tuolumne River above the La Grange Dam for the use of the said irrigation districts all surplus or waste water resulting from the development of hydroelectric energy generated by the said grantee.

(e) That such minimum and maximum amounts of such stored water to be so released during any calendar year as hereinbefore provided and the price to be paid therefor by the said irrigation districts are to be determined and fixed by the Secretary of the Interior in accordance with the provisions of the preceding paragraph.

(f) That the Secretary of the Interior shall revise the maximum and minimum amounts of stored water to be supplied to said irrigation districts by said grantee as hereinbefore provided, whenever the said irrigation districts have properly developed the facilities of the Davis reservoir of the Turlock irrigation district and the Warner-Dallas reservoir of the Modesto irrigation district to the fullest practicable extent up to a development not exceeding in cost $15 per acre-foot storage capacity, and whenever additional storage has been provided by the said irrigation districts which is necessary to the economical utilization of the waters of said watershed, and also after water losses and wastes have been reduced to such reasonable minimum as will assure the economical and beneficial use of such water.

(g) That the said grantee shall not be required to furnish more than the said minimum quantity of stored water hereinbefore provided for until the said irrigation districts shall have first drawn upon their own stored water to the fullest practicable extent.

(h) That the said grantee shall not divert beyond the limits of the San Joaquin Valley any more of the waters from the Tuolumne watershed than, together with the waters which it now has or may hereafter acquire, shall be necessary for its beneficial use for domestic and other municipal purposes.

(i) That the said grantee shall, at its own expense, locate and construct, under the direction of the Secretary of the Interior, such weirs or other suitable structures on sites to be granted, if necessary, by the United States, for accurately measuring the flow in the said river at or above La Grange Dam, and measuring the flow into and out from the reservoirs or intakes of said districts, and into and out from any reservoirs constructed by the said grantee, and at any other point on the Tuolumne River or its tributaries which he may designate, and fit the same with water-measuring apparatus satisfactory to said Secretary and keep such hydrographic records as he may direct, such apparatus and records to be open to inspection by any interested party at any time.

(j) That by "the flow," "natural daily flow," "aggregate daily natural flow," and "what is naturally flowing," as are used herein, is meant such flow as on any given day would flow in the Tuolumne River or its tributaries if said grantee had no storage or diversion works on the said Tuolumne watershed.

(k) That when the said grantee begins the development of the Hetch Hetchy reservoir site it shall undertake and vigorously prosecute to completion a dam at least 200 feet high, with a foundation capable of supporting said dam when built to its greatest economic and safe height.

(l) That the said grantee shall, upon request, sell or supply to said irrigation districts, and also to the municipalities within either or both said irrigation districts, for the use of any land owner or owners therein for pumping subsurface water for drainage or irrigation, or for the actual municipal public purposes of said municipalities (which purposes shall not include sale to private persons or corporations) any excess of electrical energy which may be generated, and which may be so beneficially used by said irrigation districts or municipalities, when any such excess of electric energy may not be required for pumping the water supply for said grantee and for the actual municipal public purposes of the said grantee (which purposes shall not include sale to private persons or corporations) at such price as will actually reimburse the said grantee for developing and maintaining and transmitting the surplus electrical energy thus sold; and no power plant shall be interposed on the line of the conduit except by the said grantee, or the lessee, as hereinafter provided, and for the purposes and within the limitations in the conditions set forth herein: *Provided,* That said grantee shall satisfy the needs of the landowners in said irrigation districts for pumping subsurface water for draining or irrigation, and the needs of the municipalities within such irrigation districts for actual municipal public purposes, after which it may dispose of any excess electrical energy for commercial purposes.

(m) That the right of said grantee in the Tuolumne water supply to develop electric power for either municipal or commercial use is to be made conditional for 20 years following the completion of any portion of the works adapted to the generation of electrical energy, as follows: The said grantee shall within 3 years from the date of completion of said portion of the works install, operate, and maintain apparatus capable of developing and transmitting not less than 10,000 horsepower of electric power for municipal and commercial use, said 10,000 horsepower to be actually used or offered for use; and within 10 years from the completion of said portion of the works not less than 20,000 horsepower; and within 15 years therefrom not less than 30,000 horsepower; and within 20 years therefrom not less than 60,000 horsepower, unless in the judgment of the Secretary of the Interior the public interest will be satisfied with a lesser development. The said grantee shall develop and use hydroelectric power for the use of its people and shall, at prices to be fixed under the laws of California or, in the absence of such laws, at prices approved by the Secretary of the Interior, sell or supply such power for irrigation, pumping, or other beneficial use, said prices not to be less than will return to said grantee the actual total costs of providing and supplying said power, which costs shall be computed in accordance with the currently accepted practice of public cost accounting, as shall be determined by the Secretary of the Interior, including, however, a fair proportion of cost of conduit, lands, dams, and water-supply system; and further, said grantee shall, before using any of said water for the purpose of developing hydroelectric power, file such maps, surveys, field notes, or other data as may be required by law, and shall conform to any law existing and applicable to said subject of development of said hydroelectric power for municipal or commercial uses.

(n) That after the period of 20 years hereinbefore provided for the development, transmission, use, and sale of electric power, the Secretary of the Interior, under authorization hereby given, may require the grantee, within a time fixed by the Secretary, to develop, transmit, and use, or offer for sale, such additional power, and also such power less than 60,000 horsepower as the grantee may have failed to develop, transmit, use, or sell, within the 20 years aforesaid, as in the judgment of said Secretary the grantee may or ought to develop under this grant, and which in his judgment the public interest demands or convenience requires; and in case of the failure of the grantee to carry out any such requirements of the Secretary of the Interior the latter is hereby authorized so to do, and he may, in such manner and form and upon such terms and conditions as he may determine, provide for the development, transmission, use, and sale of such additional power and such power not so developed, transmitted, or used by the grantee at the end of said 20 years up to 60,000 horsepower; and for that purpose the Secretary of the Interior may take possession of and lease to such person or persons as he may designate such portion of the rights of way, structures, dams, conduits, and other property acquired or constructed by the grantee hereunder as may be necessary for the development, transmission, use, and sale of such power.

(o) That the rates or charges to be made by the grantee or by any lessee under the last preceding paragraph for the use of power for commercial purposes shall at all times conform to the laws of the State of California or, in the absence of any such law, be subject to the approval of the Secretary of the Interior, and in the absence of such law no rates or charges shall be made, fixed, or collected without such approval, and the grantee shall at any time, upon the demand of the Secretary of the Interior, allow the latter or such person or persons as he may designate full and free access, right, and opportunity to examine and inspect all of the grantee's books, records, and accounts, and all the works constructed and property occupied hereunder by the grantee.

(p) That this grant is upon the further condition that the grantee shall construct on the north side of the Hetch Hetchy Reservoir site a scenic road or trail, as the Secretary of the Interior may determine, above and along the proposed lake to such point as may be designated by the said Secretary, and also leading from said scenic road or trail a trail to the Tiltill Valley and to Lake Vernon, and a road or trail to Lake Eleanor and Cherry Valley via McGill Meadow; and likewise the said grantee shall build a wagon road from Hamilton or Smiths Station along the most feasible route adjacent to its proposed aqueduct from Groveland to Portulaca or Hog Ranch and into the Hetch Hetchy Dam site, and a road along the southerly slope of Smiths Peak from Hog Ranch past Harden Lake to a junction with the old Tioga Road, in section 4, township 1 S., range 21 E., Mount Diablo base and meridian, and such roads and trails made necessary by this grant, and as may

be prescribed by the Secretary of the Interior. Said grantee shall have the right to build and maintain such other necessary roads or trails through the public lands, for the construction and operation of its works, subject, however, to the approval of the Secretary of Agriculture in the Stanislaus National Forest, and the Secretary of the Interior in the Yosemite National Park. The said grantee shall further lay and maintain a water pipe, or otherwise provide a good and sufficient supply of water for camp purposes at the Meadow, one-third of a mile, more or less, southeasterly from the Hetch Hetchy Dam site.

That all trail and road building and maintenance by the said grantee in the Yosemite National Park and the Stanislaus National Forest shall be done subject to the direction and approval of the Secretary of the Interior or the Secretary of Agriculture according to their respective jurisdictions.

(q) That the said grantee shall furnish water at cost to any authorized occupant within 1 mile of the reservoir, and in addition to the sums provided for in section 7 it shall reimburse the United States Government for the actual cost of maintenance of the above roads and trails in a condition of repair as good as when constructed.

(r) That in case the Department of the Interior is called upon, by reason of any of the above conditions, to make investigations and decisions respecting the rights, benefits, or obligations specified in this act, which investigations or decisions involve expense to the said Department of the Interior, then such expense shall be borne by said grantee.

(s) That the grantee shall file with the Secretary of the Interior, within six months after the approval of this act, its acceptance of the terms and conditions of this grant.

(t) That the grantee herein shall convey to the United States, by proper conveyance, a good and sufficient title free from all liens and encumbrances of any nature whatever, any and all tracts of land which are now owned by said grantee within the Yosemite National Park or that part of the national forest adjacent thereto not actually required for use under the provisions of this act, said conveyance to be approved by and filed with the Secretary of the Interior within six months after the said grantee ceases to use such lands for the purpose of construction or repair under the provisions of this act.

(u) That the city and county of San Francisco shall sell to the United States, for the use of the War Department, such water as the War Department may elect to take, and shall deliver the same through its system in or near the city of San Francisco to the mains or systems of such military reservations in that vicinity as may be designated by the Secretary of War, under such rules and regulations as he may prescribe. In payment for such water and the delivery thereof the United States shall pay to the said city and county of San Francisco a rental, to be calculated at a fixed rate per 1,000 gallons, said rate not to exceed the actual cost of said water to said city and county for all the water so furnished, as determined by meter measurements: *And provided further*, That payment of said rental shall be made by the local disbursing officer of the War Department in the usual manner.

During the reading of the foregoing section the following occurred:

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

The CHAIRMAN. The gentleman will wait until the reading of the section is completed.

Mr. MONDELL. I am inclined to think, Mr. Chairman, that the amendment is in order at this point.

The CHAIRMAN. The bill is being considered by sections, and unless otherwise ordered by the committee the whole section will be read.

Mr. MONDELL. Under the parliamentary rules, the bill should be considered and be open for amendment when a complete substantive proposition has been read. This section contains some five or six complete propositions, each separate and apart from the other.

Mr. MANN. I take it that there will be ample opportunity for amendment after the reading of the section is completed.

Mr. MONDELL. I think we ought to clean up the matter as we go along. An amendment will probably be offered to something entirely dissimilar at the close of the reading of the section.

Mr. FERRIS. I hope the gentleman will not ask a consideration of amendments until the section is completed. Then we can go back and take up the amendments.

Mr. MONDELL. I am inclined to think that it will expedite matters. I am sure it is in accordance with the usual rule of the House.

Mr. MURRAY of Oklahoma. The Chairman can ask if there is an amendment to the first paragraph, and so on, and go through them in that way.

Mr. MONDELL. I would like to have the Chair rule. If the Chair is going to exclude my amendment at this point, I would like to know it.

The CHAIRMAN. The Chair will rule that the bill is being read by sections, and that an amendment is not now in order.

Mr. MONDELL. I want to say that that is not in accordance with the ordinary practice of the House.

Mr. MANN. I think it is difficult to state what the practice of the House is. I can remember no instance like it. I think the Chair's ruling is sustained.

Mr. MONDELL. I think we have had many cases of this kind. If the gentleman from Illinois takes the position that a section covering 20 pages, with numerous substantive propositions, should be considered as one, he is standing for a dangerous proposition.

Mr. MANN. I thought so myself, and therefore I did not desire the gentleman to insist on a ruling.

The CHAIRMAN. The Chair will say that appropriation bills are read by paragraphs, but as a rule bills of this character are read by sections, and that an amendment is not now in order. The Clerk will complete the reading of the section.

The Clerk completed the reading of the section.

Mr. MURRAY of Oklahoma. Mr. Chairman, I offer the following amendment to the first paragraph.

The Clerk read as follows:

Page 11, line 24, after the word "enumerated," insert:

"And upon the violation of the grantee of any of said conditions all the title, easements, and franchises, together with all appurtenances thereunto belonging granted by this act, shall revert to the United States."

Mr. MURRAY of Oklahoma. Mr. Chairman, I understand the members of the committee are willing to accept the amendment, and I do not care to discuss it.

Mr. MANN. Mr. Chairman, if the committee is satisfied with that amendment, I should think it would be wiser to leave it out and put in the usual provision that Congress reserves the right to alter, amend, or repeal. To say that San Francisco, after it has expended $75,000,000 or $100,000,000, forfeits its entire right because, for instance, it should ask for additional rules or restrictions, seems to me to be going the limit.

Mr. MURRAY of Oklahoma. I do not understand that the sanitary rules are really a part of the conditions of this bill.

Mr. MANN. The first thing that follows the gentleman's language here are the sanitary rules.

Mr. MURRAY of Oklahoma. No, sir.

Mr. MANN. I beg the gentleman's pardon.

Mr. MURRAY of Oklahoma. The bill reads as follows:

That this grant is made to the said grantee subject to the observance on the part of the grantee of all of the conditions hereinbefore and hereinafter enumerated.

Mr. MANN. Then the gentleman's amendment follows, and then the next conditions are the provisions about the sanitary regulations. One of those conditions is that no other sanitary rule or restriction shall be demanded by or granted to the said grantee. If, under the gentleman's amendment, strictly construed, these people should come to Congress and ask that there be a change made in this bill as to sanitary regulations, it would cause a forfeiture of the entire plant. Of course it probably would not be done, but that is the effect of the gentleman's amendment.

If it is the intention for Congress to reserve complete control over this and not give an absolute, fixed right upon which the city may borrow money, the best way to do it, it seems to me, would be to insert the ordinary provision that Congress reserves the right to alter, amend, or repeal. Then if they violated the provisions of the act so that there is substantial violation, it is within the control of Congress.

Mr. KENT. Mr. Chairman, I ask unanimous consent to have the amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment.

Mr. KENT. Mr. Chairman, it seems to me that this amendment, which means well, is altogether too severe. We know perfectly well that a city government may or may not be corrupt. Under as drastic an amendment as that proposed one rotten administration lasting two years in San Francisco might forfeit all those rights. San Francisco has just passed through an administration that would have wrecked the town for the purpose of boosting the present local water company, and I do not think the amendment should be so drastic. I think that all public rights are properly safeguarded in the bill as it now stands.

Mr. MURRAY of Oklahoma. Mr. Chairman, I want to say in the beginning that I regard this measure as an enterprise the most gigantic in point of possibility ever enacted by Congress. I shall be pleased to vote for this bill with such regulation as to make it safe under the grant, but I would not vote for this bill, whatever may be in it, unless there is some condition that will force the State of California to obey the rules under which the grant is made. As a lawyer sitting in my office, if a client should hire me to draw a contract covering a piece of land, I would feel it to be my duty to write every

condition with a condition of forfeiture. That is the only way you can enforce it.

Let us analyze what would result from this amendment. This amendment provides that "the easements, franchises granted by this act," and so forth. I purposely worded that so as not to include the property. Suppose there should be a violation.

The first thing that could be done would be to throw this into the hands of a receiver, because the property would not revert. That would give the State of California, the city and county of San Francisco, an opportunity to perform the obligations of the contract, and the result would be that they would regain all those franchises, because the property never passes. It is absurd to contend that it is sufficient when you say to a city, "I give this to you upon conditions." If you intend to enforce those conditions you must have something that will cause the property to revert. We stand here as attorneys representing the people of the United States, making a grant to a city and a county of a certain State, and I say that it is a wise one. I believe in it, but in order to enforce it it must have some condition of forfeiture, and that condition must lie to every provision. I would not insist, in other words, that the language should not be amended so as to except the sanitary regulations. I do not understand that the sanitary regulations are a part of the grant, but I would be willing to have my amendment so modified that every condition of this grant shall work a forfeiture upon violation except as to sanitary regulation. I think that is the effect of it after all, and it occurs to me that Members of this House representing the people, as they do, would want to make such provision as would put the people of California on the alert all of the time to do their duty.

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

Mr. MURRAY of Oklahoma. Certainly.

Mr. McKENZIE. I would like to ask the gentleman from Oklahoma what effect his amendment would have upon the taxpayers of the city of San Francisco in case the amendment were adopted and the Government undertakes to forfeit this franchise. What would be the position of the taxpayers of San Francisco that have paid for this improvement?

Mr. MURRAY of Oklahoma. The property, understand, under this amendment, does not revert. It is only the rights granted under this act, under the amendment, that I submit.

The taxpayers can save themselves by performing the contract pending the throwing of the enterprise into the hands of a receiver in the Federal court. I do not understand that the Government could act contrary to this, because the property would not revert under the amendment.

Mr. McKENZIE. Let me ask the gentleman what advantage is it to the Government to have this amendment put in the bill?

Mr. MURRAY of Oklahoma. So that the Government would have an easy and legal way of compelling performance.

Mr. MANN. May I ask the gentleman a question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Well, I have the floor now. Here is a bill pending that would grant the right to dam the Hetch Hetchy Valley.

Mr. MURRAY of Oklahoma. So I have heard.

Mr. MANN. If that right reverts to the Government of the United States, the right granted here is ended.

Mr. MURRAY of Oklahoma. Ask the question again.

Mr. MANN. If under the gentleman's amendment the right to dam the Hetch Hetchy Valley reverts to the Government of the United States, that right is ended.

Mr. MURRAY of Oklahoma. That right would end providing it reverts before the building.

Mr. MANN. Oh, no; reverting after the building at any time; that ends it. There is no authority granted by Congress to the Government to build a dam or maintain a lake there. That is ended if this right reverts to the Government of the United States. I do not know whether anybody would go and blow up the dam or not, but the Government officers, if they fulfilled their duty, would——

Mr. MURRAY of Oklahoma. The gentleman from Illinois will understand that if the dam should be blown up that would be an act the people of California would not be liable for under the law.

Mr. MANN. If a Government officer goes and blows it up, the right reverts to the United States, because the Government officer has no right to maintain a dam there.

Mr. MURRAY of Oklahoma. A Government officer will never act contrary——

Mr. MANN. Oh, well, the gentleman admits his amendment will not amount to anything.

Mr. MURRAY of Oklahoma. I am arguing that if the people of the city and county of San Francisco are so negligent as to go to the extent of permitting a suit to be filed by the Attorney General and then a receiver to be appointed that they will continue to neglect to perform the duty——

Mr. MANN. Oh, the gentleman's amendment proposes that when a thing happens the right ceases. That is an accomplished fact.

Mr. MURRAY of Oklahoma. Now, the gentleman ought to draw a difference between revert and escheat.

Mr. MANN. I am drawing a difference.

Mr. MURRAY of Oklahoma. There is a distinction.

Mr. MANN. There is no distinction in this country as to a governmental grant—not the slightest. Now, the gentleman proposes when a fact happens then the other fact is accomplished and the right has reverted to the Government of the United States. It is true it might take a decree of the court to sustain——

Mr. MURRAY of Oklahoma. Certainly it would.

Mr. MANN. But the fact has been accomplished. Now here is a provision that certain rights shall be granted to certain irrigation districts. In all probability it is not improbable there will be some litigation between those districts and San Francisco as to what those rights are. It would be strange if a bill should be passed out of which litigation could not arise, and the courts would enforce those rights in those irrigation districts under the act without attempting to destroy the rights which have been granted.

Mr. MURRAY of Oklahoma. Let me make this suggestion by asking the gentleman a question. The gentleman from Illinois realizes that no act of Congress can deny the people of the State and county, the grantee, the right to have its day in court.

Mr. MANN. Oh, an act of Congress can do it, but the gentleman's amendment does not do it.

Mr. MURRAY of Oklahoma. The gentleman is not insisting for a moment that Congress can cut off its day in court?

Mr. MANN. Why, certainly we can say that if the Secretary of the Interior shall find so and so that that shall be the end of it, and we frequently and usually do.

Mr. MURRAY of Oklahoma. It is a new principle of law that any municipality or any corporation or any individual, natural or artificial, can not have its day in court.

Mr. MANN. It is a principle of law that Congress in granting a right can grant it on conditions and provide for its ending as it pleases, regardless of courts.

Mr. MURRAY of Oklahoma. It can, but it is not so provided in this amendment.

Mr. MANN. I understand that.

Mr. MURRAY of Oklahoma. If the gentleman will agree that every individual has his day in court under our Constitution, and if that be true the Attorney General would proceed against the city and the county of San Francisco. The property is owned by the city. That would necessarily compel the appointment of a receiver. Pending the trial for the violation of the grant, when that was done, immediately they would perform the obligations of the grant.

Mr. MANN. It would be too late.

Mr. MURRAY of Oklahoma. No; it would not be too late.

Mr. MANN. They forfeited the right whenever the act occurred.

Mr. MURRAY of Oklahoma. It is the object of the court to make performance when it is expressed in general terms. I will suggest to the gentleman from Illinois [Mr. MANN] that he would not write a contract, or would not hesitate to write a contract for a client that did not put a condition of forfeiture upon the grantee.

Mr. MANN. If the gentleman will permit, as attorney for municipalities I have written a good many contracts, and never endeavored to give the other fellow the slightest show on earth. I never did. But we are dealing with a municipal corporation now, and ought to deal on different terms than we would with a private party.

Mr. TAYLOR of Colorado. Mr. Chairman, we ought to consider that we are not dealing with a private corporation that might try to speculate in and abuse the rights granted. We are dealing with a large number of the people of this country, 8 or 10 large and growing cities, and why should we jeopardize their rights by drastic and unnecessary conditions? Why should anyone want to permit some little technicality to forfeit those very important rights? Why should Uncle Sam want to even jeopardize them?

Why should we put a cloud on the title and bring about such a condition that the city could not float their bonds? It seems to me that we ought not to insert a needless possibility of

forfeiting the property of these people. It seems to me that section 6 is broad enough, and with the amendment put in by the gentleman from Arkansas [Mr. TAYLOR] the other day we have gotten San Francisco hedged about now as much as it is reasonably possible for us to do in any degree of fairness. If they do not diligently construct the work, they forfeit everything. We do not want to hand San Francisco a gold brick, something they can not handle or get anything out of without coming back to Congress again. Let us treat them in good faith. [Applause.] When we provide that any attempt to sell or alienate or speculate in any way shall work a forfeiture, for heaven's sake, let us not add a clause so that if a horse takes a drink out of a creek or some one uses a little water or does something it may afford an excuse for some superserviceable United States attorney to jump in and declare forfeiture. I want to give San Francisco in good faith a good waterworks system, a good title to it. We want to give them as near as possible a fee simple title to the lands and rights of way. We want to give them the right to put that 300-foot dam on a piece of Government land, the right to furnish pure water to the city, and a right to sell to its inhabitants this electric energy.

I feel that while any ordinary forfeiture in preventing any sale, transfer, or "skullduggery," or anything of that kind is all right, the conditions imposed by this amendment are not fair to San Francisco. And I think if the gentleman from Oklahoma [Mr. MURRAY] will stop and look at it he will see that he is endeavoring to enact a proposition here which, if carried out, would or might render this whole act a nullity and useless.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MURRAY].

Mr. MURRAY of Oklahoma. Mr. Chairman, I ask unanimous consent to add three words to my amendment.

The CHAIRMAN. The Clerk will report the change.

The Clerk read as follows:

By inserting "except sanitary regulations" after the word "conditions."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MURRAY].

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

Mr. MURRAY of Oklahoma. Division, Mr. Chairman.

The committee divided, and there were—ayes 5, noes 33.

So the amendment was rejected.

Mr. MURRAY of Oklahoma. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MURRAY] offers a further amendment, which the Clerk will report.

Mr. MURRAY. It is to come in right at the same place. I will state, Mr. Chairman, that that is taken from Mr. MONDELL's bill.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oklahoma [Mr. MURRAY].

The Clerk read as follows:

Amend, page 11, at the end of line 24, by adding:

"That the conditions of the grant made herein shall be enforceable, and that the rights and privileges of the said grant may be canceled in whole or in part on the failure of the grantee to comply with the terms and conditions thereof, on notice by the Secretary of the Interior, in accordance with the judgment of any court of competent jurisdiction, in a suit brought by the United States or any party in interest."

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

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

Mr. MURRAY of Oklahoma. A division, Mr. Chairman.

The committee divided; and there were—ayes 16, noes 27.

So the amendment was rejected.

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

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

Mr. MURRAY of Oklahoma. Mr. Chairman, I desire to ask the gentlemen over there if they have a substitute to offer for this provision? I make the point of order, Mr. Chairman, that there is no quorum present. I am not going to vote for a bill like this, containing that kind of a proposition.

Mr. BRYAN. Let the gentleman reserve his point of order until we get to a vote.

Mr. MURRAY of Oklahoma. All right.

The CHAIRMAN. Does the gentleman reserve it or make it?

Mr. BRYAN. I suggest, Mr. Chairman, that the gentleman from Oklahoma reserve his point of order until we get nearer to a vote.

The CHAIRMAN. Does the gentleman reserve it?

Mr. MURRAY of Oklahoma. I do not reserve the point of order. I make the point of order.

Mr. MANN. We might as well have a roll call now as at any other time.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-five Members are present—not a quorum. The Clerk will call the roll.

The Clerk began the calling of the roll.

Mr. MURRAY of Oklahoma. Mr. Chairman, I would like to ask if this would give me a record vote?

The CHAIRMAN. The gentleman has no right to interrupt the roll call. The Clerk will proceed.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Abercrombie	Dunn	Keating	Peters
Aiken	Eagan	Kelley, Mich.	Phelan
Ainey	Eagle	Kennedy, Conn.	Porter
Alexander	Edmonds	Kennedy, R. I.	Powers
Anderson	Estopinal	Key	Quin
Ansberry	Fairchild	Kindel	Rainey
Anthony	Falconer	Kinkaid, Nebr.	Reilly, Conn.
Avis	Farr	Knowland, J. R.	Richardson
Baker	Fess	Kreider	Riordan
Barchfeld	Finley	Lafferty	Roberts, Mass.
Barkley	FitzHenry	La Follette	Roberts, Nev.
Bartholdt	Fordney	Langley	Roddenbery
Bartlett	Fowler	Lazaro	Rothermel
Bathrick	Francis	Lee, Ga.	Rucker
Beall	Frear	Lee, Pa.	Saunders
Bowdle	Gardner	L'Engle	Scully
Bremner	Garrett, Tenn.	Lenroot	Seldomridge
Brodbeck	George	Lesher	Shackleford
Broussard	Gerry	Lewis, Md.	Sharp
Brown, N. Y.	Gillett	Lewis, Pa.	Sherley
Browne, Wis.	Gilmore	Lieb	Sherwood
Browning	Gittins	Logue	Shreve
Bruckner	Godwin	Lonergan	Slayden
Brumbaugh	Goeke	McCoy	Small
Buchanan, Ill.	Goldfogle	McDermott	Smith, Samuel W.
Butler	Good	McGillicuddy	Smith, N. Y.
Byrnes, S. C.	Gordon	McGuire, Okla.	Sparkman
Calder	Goulden	McKellar	Stanley
Callaway	Graham, Ill.	Mahan	Stevens, Minn.
Campbell	Graham, Pa.	Maher	Stout
Cantrill	Green, Iowa	Manahan	Sutherland
Caraway	Gregg	Martin	Switzer
Carew	Griest	Merritt	Taggart
Carr	Griffin	Metz	Talbott, Md.
Carter	Gudger	Miller	Taylor, N. Y.
Cary	Hamill	Moon	Thacher
Casey	Hamilton, Mich.	Morgan, La.	Towner
Chandler	Hamilton, N. Y.	Morgan, Okla.	Townsend
Clancy	Hamlin	Morin	Treadway
Cline	Harrison, N. Y.	Moss, W. Va.	Tribble
Connelly, Kans.	Hart	Mott	Underhill
Copley	Haugen	Murray, Mass.	Vare
Cramton	Hawley	Neeley	Vaughan
Crosser	Hayden	Nelson	Walker
Curley	Helvering	Nolan, J. I.	Wallin
Dale	Henry	O'Brien	Walsh
Danforth	Hill	Oglesby	Weaver
Davis	Hinds	O'Hair	Webb
Dershem	Hobson	O'Leary	Whaley
Dies	Hoxworth	O'Shaunessy	Whitacre
Difenderfer	Hughes, W. Va.	Padgett	White
Dixon	Humphreys, Miss.	Page	Wilder
Donohoe	Igoe	Palmer	Wilson, N. Y.
Dooling	Johnson, S. C.	Parker	Winslow
Doughton	Jones	Patten, N. Y.	Woodruff
Driscoll	Kahn	Patton, Pa.	

The committee accordingly rose; and the Speaker having resumed the chair, Mr. FOSTER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the Hetch Hetchy bill (H. R. 7207), finding itself without a quorum, he had directed the roll to be called, when 208 Members, a quorum, answered to their names, and that he reported the names of the absentees to the House.

The SPEAKER. A quorum being present, the committee will resume its sitting.

The House accordingly resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Hetch Hetchy bill (H. R. 7207), with Mr. FOSTER in the chair.

Mr. FERRIS. Mr. Chairman, I think there is scarcely any difference in the views of the members of the committee about the amendment offered by my colleague from Oklahoma [Mr. MURRAY]. Some of us thought his amendment was too drastic, some thought there should be no amendment at all. I think the gentleman from California [Mr. RAKER] has an amendment which will accomplish all that the gentleman from Oklahoma seeks to accomplish, and will at the same time not render the bill nugatory in any way, and I yield to him for the purpose of offering that amendment.

Mr. RAKER. I offer the following amendment. In effect it is a substitute for that of the gentleman from Oklahoma, but it goes in at another place.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 25, after line 18, change the period after the word "matter" to a colon and add the following:

"*Provided, however,* That the grantee shall at all times comply with and observe on its part all the conditions specified in this act, and in the event that the same are not reasonably complied with and carried out by the grantee, upon written request of the Secretary of the Interior, it is made the duty of the Attorney General, in the name of the United States, to commence all necessary suits or proceedings in the proper court having jurisdiction thereof for the purpose of enforcing and carrying out the provisions of this act."

Mr. MURRAY of Oklahoma. Mr. Chairman, that amendment is satisfactory to me.

Mr. MANN. What became of the amendment of the gentleman from Oklahoma?

The CHAIRMAN. The amendment of the gentleman from Oklahoma was rejected.

Mr. MANN. I did not know whether the point of no quorum was made at the time of the taking of the vote or not.

The CHAIRMAN. The result of the vote was announced some little time before the gentleman made the point of no quorum. The Chair will ask whether in this amendment there is a comma after the phrase "upon written request of the Secretary of the Interior"?

Mr. RAKER. Yes.

Mr. BRYAN. There should not be.

Mr. RAKER. There should be. That is the intention.

Mr. BRYAN. The written request of the Secretary of the Interior should apply to what follows, and not what goes before.

Mr. RAKER. That is the purpose of it.

Mr. BRYAN. Then there should be no comma.

Mr. RAKER. I will consent to striking out the comma.

I want to say that on page 24, in lines 13, 14, and 15, subdivision S of section 9, it is made the duty of the city and county of San Francisco to file a written acceptance of this grant. Unless it does file a written acceptance of the grant, the grant is inoperative and the city and county of San Francisco get nothing.

The provision just offered eliminates all objections that have been made by gentlemen as to the reversionary clause, and makes it the duty of the Attorney General of the United States, upon written request of the Secretary of the Interior, to commence suit in the proper court to enforce all of these conditions and contracts between the city and county of San Francisco and the United States, so there can be no question but that every provision not attempted to be complied with can be enforced by the United States against the city and county of San Francisco.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that after five minutes the debate on this amendment be closed.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that debate on this amendment be closed in five minutes. Is there objection?

Mr. BRYAN. Reserving the right to object, I want one minute in which to straighten out the matter of the punctuation of this amendment.

Mr. FERRIS. Then make it six minutes.

The CHAIRMAN. The gentleman from Oklahoma asks that at the end of six minutes debate on this amendment be closed. Is there objection?

There was no objection.

Mr. STEENERSON. Mr. Chairman, I desire to call attention to the fact that the amendment proposed by the gentleman from California makes it very easy for the grantee in this act to violate its terms. If this amendment were not inserted and there were a breach in the conditions of the grant, by force of the common-law procedure and practice the Attorney General could bring a suit for forfeiture for violation of those conditions. But this amendment limits the right of the Attorney General to bring a suit not of forfeiture, which ought to be the penalty for violating the conditions of the grant, but a suit to enforce the provisions of the grant. That is a very shrewdly drawn amendment. It is drawn so as to avoid responsibility on the part of the grantee to perform the conditions inserted in the grant.

The CHAIRMAN. The Chair desires to call the attention of the gentleman from California [Mr. RAKER] to the fact that he has the word "matter" in here, which should be "manner."

Mr. RAKER. That is a mistake of the typewriter, and I ask unanimous consent to change it to "manner."

The CHAIRMAN. Without objection, the modification will be made.

There was no objection.

The question was taken, and the amendment offered by Mr. RAKER was agreed to.

Mr. MONDELL. Mr. Chairman, I move to strike out all of page 12, and page 13 down to and including line 11, and insert the amendment which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all of page 12, and page 13 down to and including line 11, and insert in lieu thereof the following:

"That it shall be the duty of the officers of the United States having supervision of the national forest and national park on and over which the said right of way shall be located to establish, maintain, and enforce such regulations affecting the use of the said national forest and national park as will reasonably protect said water supply from contamination by such use: *Provided,* That such sanitary regulations shall not be of such character as to deprive the public of the use and enjoyment, in a reasonable and proper way, of the said national park or national forest, and the grantee shall pay the cost of enforcing said sanitary regulations."

Mr. MANN. Mr. Chairman, I offer a preferential amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 12, line 14, strike out the period after the word "purified" and insert the words "or destroyed."

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

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

Mr. MANN. Now, Mr. Chairman, in line 16, I would suggest that after the word "utensils" the word "or" be inserted, and after the word "stock" the word "in" be inserted, and that a comma be inserted after the word "pollute."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 12, line 16, after the word "utensils" insert the word "or," and after the word "stock" insert the word "in," and after the word "pollute" insert a comma.

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

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

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that at the end of five minutes debate shall close on this amendment.

The CHAIRMAN. The gentleman from Oklahoma asks that all debate on this amendment be closed in five minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, my amendment proposes to strike out all of the sanitary regulations contained in the bill and to substitute the language which I have sent to the Clerk's desk and which has been read. I think that anyone who has read the sanitary provisions contained in the bill will admit that they are likely to be entirely ineffectual. They were placed in the bill, as I understand it, in the form in which they are because certain gentlemen insisted that if proper sanitary regulations were enforced on the watershed it would have the effect to prevent the public from properly and reasonably enjoying the use of the region. Therefore these which appear to me rather ridiculous provisions in regard to sanitation were provided, and it is further provided that they can never be changed or amended.

Congress in the language stricken out solemnly promises that it never will at the request of San Francisco or on its own motion provide any other sanitary regulations, no matter how inadequate these regulations may prove to be. It seems to me a mere statement of the situation is sufficient to convince anyone that these regulations are not what they ought to be. I provide—and I make it a part of the grant—that the officers having charge of these watersheds shall enforce reasonable and proper sanitary regulations, provided those regulations shall not be of a character to deny the public the reasonable use of the territory.

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

The question was taken, and the amendment was rejected.

Mr. CURRY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 18, line 17, after the word "districts" insert the words "And to the Tracy irrigation district, comprising 63,000 acres."

Also, on page 18, line 18, strike out the words "either or both" and insert in lieu thereof the words "any and all of."

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that debate on the pending amendment close in 10 minutes—5 min-

utes to be consumed by the gentleman from California and 5 minutes by the committee.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CURRY. Mr. Chairman, this amendment definitely recognizes and fixes the legal right of the Tracy irrigation district to be supplied with power at a reasonable cost by San Francisco from the Hetch Hetchy source. The Tracy irrigation district is legally organized under the laws of the State of California, its officers have been elected, its papers are filed, the money has been subscribed, and nearly all of the acreage has been signed up. It proposes to irrigate 63,000 acres of land in San Joaquin County on the west bank of the San Joaquin River. The district extends from Grayson on the south to the Alameda County line on the north. It has been estimated it would take 500 second-feet of water to irrigate this land, and the Tracy irrigation district asks that San Francisco be required at a reasonable cost to supply it with the power necessary to do the pumping of the water onto the land. Every acre of land that is tributary to the watershed of the Hetch Hetchy is entitled naturally and legally to its share of water and power from that source.

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

Mr. CURRY. Yes.

Mr. RAKER. Has this district ever made any water filings?

Mr. CURRY. It is located on the San Joaquin River and has riparian rights.

Mr. RAKER. When was the district formed?

Mr. CURRY. It started to organize more than three months ago. When I appeared before the committee in June the organization had not been completed, and that is about two and a half months ago.

Mr. RAKER. And this bill was pending while this company has gone on and organized, hoping to get the benefits of the bill.

Mr. CURRY. Oh, no. It would have organized whether the bill was passed or not. This district is just as much entitled to power as the other two districts that have been included. We are not asking for water. We are asking for power from the Hetch Hetchy. The Hetch Hetchy is the last unappropriated power site in that portion of the San Joaquin Valley. We are not asking for the water but for the power to pump the water. If gentlemen will turn to page 17 of the bill and read division H they will see that the committee has recognized the fact that every irrigable acre is entitled to its share of that water. The bill provides:

(h) That the said grantee shall not divert beyond the limits of the San Joaquin Valley any more of the waters from the Tuolumne watershed than, together with the waters which it now has or may hereafter acquire, shall be necessary for its beneficial use for domestic and other municipal purposes.

San Francisco will not need one-quarter of the electrical power that can be developed from the Hetch Hetchy, and it will not need over 50,000,000 gallons of water for its own municipal use in addition to what it can supply from its own present resources. We want San Francisco, with the help of these other municipalities and irrigation districts, to develop the surplus as rapidly as it can be used by irrigation districts, and other municipalities, and under the laws of the State of California and the decisions of the Supreme Court of California an irrigation district is recognized as a quasi municipality. We want to be treated on exactly the same footing as you have treated the others. We are not asking of San Francisco something for nothing. We want to pay our share of the interest on bonds and of the sinking fund to redeem those bonds, and our share of the maintenance and construction of the plant. We want to be treated on an equality with the Modesto and Turlock irrigation districts.

Mr. FERRIS. Mr. Chairman, I appreciate the predicament which the gentleman's constituency is in and which the gentleman himself is in. I have talked to him about it and I have talked to Mr. Dennett, who appeared before the committee on behalf of another scheme. Naturally when it looked as if this bill would pass those people out there that had no prescribed rights under the law began to hustle themselves together, and each group of them formed some sort of a district and tried to have themselves declared "in" so they might be included in on this bill. Now, San Francisco returns to the river bed of the Tuolumne River every bit of the water that was naturally flowing there, or in other words the natural flow of the stream. All they are doing is to corral the water from the mountains and the flood waters and melting snows, and the committee went into that very carefully and decided that we could not let in any more of these propositions where they did not have prescribed legal rights. We have taken full care of the Modesto and Turlock irrigation people who have prescribed rights, who had prior rights. We were especially careful not to affect any of their prescribed rights, but I think the gentleman from California [Mr. CURRY] will admit and the gentleman from California, Mr. Dennett, not a Member of the Congress, but a lawyer sent here from some outside sources, did make statements which amounted to an admission of the fact that they had no prescribed rights, that their rights were cooked up and thrown together after this bill was taken up for consideration, and while I know the gentleman would like to have more water and more power and would like to have San Francisco bound down to give them more water and more power I believe that the committee has gone as far as it can and I hope the House will support the committee.

Mr. CURRY. Mr. Chairman, San Francisco is not being asked to give the Tracy district water. The Tracy district is as much entitled to power as the other two districts you are including. The other two districts have water rights, not power rights, and they are entitled to the water.

Now, we do not want any of the power San Francisco needs. After this bill has passed San Francisco will undoubtedly start condemnation proceedings against the United Railroad. If successful she will need considerable of this power. Let her have all the power she wants. She will not need over a quarter of the 115,000 horsepower of electrical energy that can be developed in Hetch Hetchy. What we want is power from the Hetch Hetchy. That is the last unappropriated power site in that section of the San Joaquin Valley. We want to pay what is right, but we want this bill to recognize our legal rights to have that power.

Mr. FERRIS. Let me ask the gentleman a question. Is it not true this company the gentleman refers to, the Tracy irrigation district, was formed after the Hetch Hetchy bill was introduced and after hearings began?

Mr. CURRY. Nearly every irrigation district in the San Joaquin Valley has been organized since the Hetch Hetchy bill was first introduced. This project was started 16 years ago, when Mr. Franklin K. Lane was city attorney of San Francisco and I was county clerk, and we were both for it. All I want is to put these irrigation districts on the same footing. This irrigation district did not start in the expectation of this bill being before Congress. Mr. Dennett, who is an attorney, came here and stated, of course, that they had no legal water filings and that if we wanted water we wanted to pay for the water.

Mr. FERRIS. If there is any excess power, the gentlemen living in the San Joaquin Valley will, of course, get it under the laws of the State of California and under the State law for this does not disturb vested rights, and in my judgment the people of California have one of the best laws I have ever seen as to their public utilities commission.

Mr. CURRY. Why not let this district be included in this bill?

Mr. FERRIS. I think we can not include everybody in this bill. Now, we have allowed San Francisco to construct a dam under this bill. The consideration of this bill began three months ago. The Tracy district, the district represented by Mr. Dennett, and I do not know how many more, have organized themselves so as to get some of the special advantages of this bill, and I really hope the gentleman who has been very helpful to us in getting this bill in shape will let it go through as it is, because under the laws of the State of California, through your public utilities commission and under the bill itself, your people can get power on terms that will not be extortionate, but will be reasonable and decent. I hope the gentleman will not insist on this.

Mr. CURRY. There is not any question but what we can compel San Francisco to supply us with power because we have the legal right, but I want my amendment adopted so that we will not be forced to go into the courts to secure our rights.

Mr. FERRIS. Is it not true that the reason you want this amendment in the bill is because you can float your bonds for your irrigation project?

Mr. CURRY. No, sir.

Mr. FERRIS. Well, Mr. Dennett practically admitted before the committee that that was the object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. CURRY].

The question was taken, and the amendment was rejected.

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

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

The Clerk read as follows:

Strike out all of page 13, beginning with line 12, all of pages 14, 15, 16, 17, and all of page 18 down to line 10, and insert the following:

"That the grantee shall, before its maps of right of way are approved, file with the Secretary of the Interior an agreement or adjudication binding all the county and city of San Francisco and those using or claiming the waters to be improved for the purposes of irrigation, relative to their respective rights."

Mr. FERRIS. Mr. Chairman, if the gentleman will pardon me just a moment, I ask unanimous consent that debate be closed at the end of 10 minutes, 5 minutes to be consumed by the gentleman from Wyoming [Mr. MONDELL] and 5 by the committee.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent that debate on this amendment be closed in 10 minutes.

Mr. MONDELL. Mr. Chairman, reserving the right to object, here is a very important matter. The committee has, contrary to the general, or, at least, the proper practice of the House, read some 8 or 10 pages covering quite a variety of important questions without allowing opportunity for an amendment. I have a number of observations that I desire to make in regard to these matters in addition to offering this amendment, and I should like about 10 minutes on the amendment. I think if I have the 10 minutes I will not care to discuss this phase of the question further.

Mr. FERRIS. Mr. Chairman, then I ask unanimous consent to close debate in 15 minutes, 10 minutes to be used by the gentleman from Wyoming [Mr. MONDELL] and 5 by the committee.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] asks unanimous consent that debate be closed in 15 minutes, 10 minutes of the time to be controlled by the gentleman from Wyoming [Mr. MONDELL] and 5 minutes by himself. Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELL. My amendment, Mr. Chairman, strikes out all that portion of the bill which attempts to apportion the waters which the city of San Francisco proposes to impound between the city and county of San Francisco and certain irrigation claimants. The necessity of an amendment of the kind I offer is very clear, I think, in the minds of all of those familiar with irrigation problems. The gentleman from California [Mr. CURRY] has just called attention to the fact that not only is this an attempt to provide by Federal legislation to divide the waters of a California stream between certain claimants, but it forecloses, or attempts to foreclose, the rights of certain other claimants. The gentleman from California said that those on whose behalf he offered his amendment will secure their rights in any event. Well, they will not secure them if there is any virtue in the provision I propose to strike out. They will secure them if these provisions are just so much useless expenditure of printer's ink.

All the gentlemen know that the language I propose to strike out has no force and effect as a matter of Federal statute. It can only be made effective, if it can be made effective at all, by a contract between the city and county of San Francisco and the Secretary of the Interior. I can not refrain from again voicing the regret I expressed the other day that the people of San Francisco and those representing the people of California, generally so jealous of the rights of the State and of the people under their constitution, generally so quick to resent Federal interference with their local affairs, should in legislation of this character attempt to invite Federal jurisdiction over the distribution of the waters of one of the great streams of that State. The Tuolumne River, whose waters are to be impounded, rises and flows to the ocean within the State of California. The stream is not navigable. Therefore the Federal Government has no control whatever over its waters. The gentleman from Michigan [Mr. MACDONALD] a few moments ago said we are granting water rights. He is mistaken. These people hold their rights under the laws of the State of California, and all we can do is to give them the right to build a dam and impound these waters and to build a conduit for the purpose of conducting the waters to their city. But because the city of San Francisco and the irrigation districts have had some difficulty in agreeing as to how the water shall be divided and apportioned it is proposed to attempt to do it by Federal enactment, and no one will regret this more in the future than the people of California themselves.

As I said the other day, it is proposed to keep the trail hot from here to the Golden Gate with the footsteps of Federal understrappers going out into the imperial State of California to divide among her people to the last bucketful the waters of a State stream. You can not do it as a matter of Federal statute. If you can accomplish it in this indirect way, you have established a very unfortunate precedent. If it is effective, the gentleman from California [Mr. CURRY], who has just offered his amendment, can scarcely hope that his people will still have their rights and can maintain and enforce them in the courts.

If this legislation can be made effective by the indirect methods of a contract, then the people of the San Joaquin Valley, except as is provided in this bill, can never secure any of the waters from the watershed of the Tuolumne or from the Tuolumne River.

But that is not all. It is not only an attempt to apportion the waters, but it is an attempt to divide the waters in a way that constitutes an extremely bad bargain for the city of San Francisco, and in my opinion if this can be enforced, and shall be enforced in its entirety, there will come a time when San Francisco will have less water per capita for the increased population that she is to have than she has at the present time. For after providing that they shall recognize the fact that the irrigationists are entitled to the natural flow of the Tuolumne, which means, I assume, the natural flow during the irrigation season, provision is made which seems to give them the "natural flow" of the Tuolumne during the entire year.

What are the waters that are to be impounded in the Hetch Hetchy reservoir except the natural flow of the Tuolumne River? You have a provision in this bill which if enforced will give to the irrigationists all of the natural flow the year round. Before the bill finally passes I hope the gentlemen from California will examine that carefully.

I call their attention particularly to paragraph d, on page 15, where it says that in addition to other provisions exceedingly difficult to understand—I admit I can not understand them, and yet I may not be as clear of perception as the gentlemen who wrote them——

Mr. MANN. Can not or will not?

Mr. MONDELL. Oh, I have no desire not to understand them. I should be happy to be able to understand them. I will not say there is anyone that does understand them, but I will say I trust, without offense, that that is my opinion.

Now, this in addition to granting them all the flow and the natural flow and the ordinary flow; four or five different phrases are used, and then they have attempted to group all these phrases together and to say they all mean the same thing. If they do, why not use the same language in each place?

After they have given the irrigationists all the ordinary flow for a number of months and then, in addition to that, all the natural flow through the entire year, if there is anything left for the city of San Francisco it would have to be the dew that falls on the pipes. There would be no water in the river. Here is the way the provision reads:

(d) That the said grantee, whenever the said irrigation districts desire water in excess of that to which they are entitled under the foregoing, shall on the written demand of the said irrigation districts sell to the said irrigation districts from the reservoir or reservoirs of the said grantee such amounts of stored water as may be needed for the beneficial use of the said irrigation districts at such a price as will return to the grantee the actual total costs of providing such stored water.

After having granted them practically all of the water that can be and will be impounded the bill provides that if there shall be any moisture left in the bottom of the reservoir they shall sell it to the irrigation districts at cost.

I am not surprised that the irrigation districts, looking at the matter simply from the selfish standpoint of attempting to protect themselves, even at the cost of surrender of their sovereignty and their self-government, are willing to subscribe to such a grab. But how anyone acting on behalf of the city of San Francisco can agree to such a division of the water, which in its final analysis gives most of the water to the irrigation districts, I can not understand.

My amendment, Mr. Chairman, is that before this grant shall be effective there shall be filed with the Secretary of the Interior an agreement or adjudication had in accordance with the laws of the State of California, settling and determining the respective rights of the claimants to the water that is to be impounded. That is in accordance with law. It is in accordance with our practice.

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

Mr. FERRIS. Mr. Chairman, I will consume only a minute. These regulations have been worked out carefully by the department and have been worked out carefully by the committee. The proposed substitute has never been presented and has never

been considered by the committee at any time and it does not bear the department's O. K. or that of anyone connected with the matter. I hope the committee will be sustained in the provisions that are now in the bill.

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

The question was taken, and the amendment was rejected.

Mr. MANN. Mr. Chairman, I suggest that there should be a comma inserted in page 13, line 17, after the word "land." It is dangerous not to insert it. I ask unanimous consent to insert a comma there.

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent to insert a comma after the word "land," on page 13, line 17. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, I move to insert, at page 22, line 8, after the word "such," the word "statutory."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the clerk will report.

The clerk read as follows:

Page 22, line 8, after the word "such," insert the word "statutory."

Mr. MANN. I take it that that is the purpose intended.

Mr. RAKER. That amendment is a good one, and we accept it.

The amendment was agreed to.

The Clerk read as follows:

SEC. 10. That this grant, so far as it relates to the said irrigation districts, shall be deemed and held to constitute a binding obligation upon said grantee in favor of the said irrigation districts which said districts, or either of them, may judicially enforce in any court of competent jurisdiction.

Mr. MANN. Mr. Chairman, my colleague from Illinois [Mr. THOMSON] called my attention to the fact that on page 24, line 19, at the beginning of the line, there should be inserted the word "to," so that it will provide that there shall be a conveyance to the United States of any and all tracts of land, and so forth. I ask unanimous consent to insert in page 24, line 19, at the beginning of the line, the word "to."

The CHAIRMAN. If there be no objection, the amendment will be agreed to.

The amendment was agreed to.

The CHAIRMAN. The clerk will read.

The Clerk began the reading of section 11.

Mr. MONDELL. Has section 10 been read?

The CHAIRMAN. Yes.

Mr. MONDELL. Then, Mr. Chairman, I move to strike out the last word. I want to call attention to the language in the first few lines of section 10, which provides that this grant, so far as it relates to the said irrigation districts, shall be deemed and held to constitute a binding obligation on the grantee, and so forth. There is nothing in the grant relating to the irrigation districts. The grant is to the city and county of San Francisco and other municipalities, and this language certainly is not happy, for the irrigation districts are not grantees under this act, as was very clearly and forcibly stated by the gentleman from Oklahoma a short time ago.

Mr. MANN. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. MANN. That section only says that as to matters relating to the irrigation districts the binding obligation shall be upon the grantee. There is no pretense of binding the irrigation districts. Here are certain grants in favor of the districts.

Mr. MONDELL. I realize that.

Mr. MANN. It provides that these grants shall be binding on the grantee, which means that the other people have a status and have the right to enforce the law.

Mr. MONDELL. That would be all right, Mr. Chairman, if, as a matter of fact, the statement on which this proposition is predicated were a correct one; but it is not, because there is nothing in the grant relating to irrigation districts. There are provisions and conditions of the grant that relate to irrigation districts, but there is nothing in the grant itself.

But that is only one of the many peculiar things in the legislation. I want further to call attention to the fact that a few moments ago we adopted an amendment offered by the gentleman from California [Mr. RAKER] in the nature of a general enforcement provision. Now, there is another provision of enforcement in this section which conflicts with the one just adopted. Of course I do not know that a conflict of that sort will be held to make any difference in legislation of this character. I call attention to the fact that the last few lines of this section authorize the irrigation districts to begin suits to enforce certain conditions of the act, whereas the amendment which the gentleman from California offered a few minutes ago was intended to prevent and preclude all others than the United States from instituting proceedings to enforce this act. I just refer to that to show the various, divers, and sundry inconsistencies in the legislation.

Mr. FERRIS. I will say to the gentleman that that section probably does read a little peculiarly.

Mr. MONDELL. I think it reads very peculiarly, and I hope the legislation will be in different form when it becomes a law. I suggest in the interest of everybody that this section ought to be amended.

Mr. FERRIS. I know that the gentleman from Wyoming does not feel friendly toward many provisions in this bill and that he dislikes many provisions in it. I say to the gentleman frankly that if the committee had an entirely free hand they might change some of these provisions; but the irrigation people in the San Joaquin Valley are out there developing these farms, and they wanted to be sure and to take every precaution that could be taken to give them assurances that they would be protected.

Mr. MONDELL. I think this provision is entirely proper.

Mr. FERRIS. It is in the interest of the irrigationists.

Mr. MONDELL. The provisions taken from my bill, offered by the gentleman from Oklahoma [Mr. MURRAY], would have given the irrigationists and all others in interest an opportunity to get into court. This ought to be done. The amendment offered by the gentleman from California attempted to preclude everybody but the Government—attempted to prevent parties from bringing suit to enforce the conditions. This modifies it some.

Mr. FERRIS. I can not agree with the gentleman from Wyoming that the amendment of the gentleman from California [Mr. RAKER] has that effect.

Mr. MONDELL. That is the effect of it; perhaps the gentleman did not intend it.

Mr. FERRIS. The gentleman from California offered an amendment to work a forfeiture in the event that they did not comply with the conditions.

Mr. MONDELL. This is one.

Mr. FERRIS. The irrigationists want it in there, and it can do no harm, I think.

Mr. MONDELL. It is exceedingly important that it should remain in.

Mr. MANN. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. MANN. I understand the position of the gentleman from Wyoming is that the Government of the United States in making this grant has nothing to do with controlling the use of the water, that that is wholly within the control of the State of California.

Mr. MONDELL. That is my position.

Mr. MANN. So the gentleman believes that he is logical in saying that any provision of the bill placed there on the assumption that the General Government in granting a right has something to say about the use of water power should be in the bill?

Mr. MONDELL. Yes; and the gentleman will agree with me that there are conditions in the bill not relating to irrigation, of the use of water; for instance, as to the rights of the water user of San Francisco as to the use of power there are various conditions with regard to which a considerable variety of people might be parties in interest, and they ought to have the opportunity to begin proceedings in court. That is why I objected to the amendment offered by the gentleman from California [Mr. RAKER].

Now, there are conditions in this bill in which various parties will be interested; individuals, corporations, water districts, municipalities, and everybody in interest ought to have an opportunity to get into court and compel the enforcement of the provisions. The amendment offered by the gentleman from California [Mr. RAKER] unfortunately would preclude or attempt to preclude them. So far as it has any force to prevent any party in interest from bringing suit unless they could persuade the Secretary of the Interior to bring a suit in their behalf it is wrong.

Mr. MANN. Mr. Chairman, the gentleman from Wyoming [Mr. MONDELL] is perhaps the most conspicuous Member of the House in favor of the attitude which he has taken with reference to water rights. He believes that when water falls from heaven to earth it belongs to the State, and that the National Government may own the ground but has no right over the water. It makes no difference where the water is, the General

Government should have nothing to do with it; it is purely a matter of dirt for us and no water.

Now, the people generally believe that Congress, or the Government, does have some control over the water; that where the Government owns the land and grants rights which necessitate the use of the land, the Government can impose conditions which will affect the use of the water.

The gentleman from Wyoming naturally takes exception to these provisions in this bill which go on the theory that Congress has any control whatever over the water even as a condition. That is not to be wondered at. The gentlemen on the Committee on Public Lands themselves, divided in sentiment and opinion as they are upon this subject, have executed the most skillful straddle that I have ever seen in the way of a bill. No one can read the bill and tell what is the opinion of the committee, because in some places it assumes the water rights are wholly controlled by the laws of the State of California and in some places it assumes that Congress is imposing conditions which affect the use of the water to control the water rights. But as they have come to this compromise, and on the whole have given away nobody's case, I do not see how anyone can take exception to it, although I am always delighted to hear my friend from Wyoming insist upon his position.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn.

Mr. BAILEY. Mr. Chairman, I move to strike out the last two words. It seems to me that the opposition to this measure is disingenuous. It is objected to on grounds that appear to be untenable. In this long debate I have not heard one argument advanced which appealed to me as conclusive against the claim of the people of San Francisco to a water supply that is almost obviously essential to her future growth and welfare.

If it were proposed in this bill to destroy the scenic grandeur of the Hetch Hetchy or the wonders of the Yosemite, we might well pause before granting to the people of San Francisco the concession they desire. But it is not a mission of destruction which they plan; it is rather one of adding to the natural charms of this wonderland; and it would take long to persuade me that the lake which it is proposed to create would detract anything from the glory and the splendor of the scene which would surround it.

It has been urged that San Francisco has other sources of water supply and better sources. But if that be the case, why is she clamoring for this one? Must we think that San Francisco is in need of a guardian? Must we believe her incapable of understanding her own problems? Or must we accept the implication that she is actuated by pure sordidness and an utter contempt for the rights of the American people? The city at the Golden Gate has been wrestling with her water problem for a generation, and we ought to be willing to believe that by this time she knows her own needs and the way in which they may best be met.

No one can outdo me in devotion to the principle of conservation. But if the sacrifice even of Niagara Falls to human good were necessary, I should not hesitate. The highest conservation is that of human life. Man is more than any marvel of mountain or lake or forest or rocky gorge. His fortunes and destiny demand the first consideration. His health and development and progress are paramount to every other factor which by any possibility may be involved. And here in this matter we have the lives and fortunes and future prospects of a great community to set over against the preservation in detail of a playground of the gods. Shall we save the people or shall we keep inviolate a spot that few can ever hope to see? Must we think first of sticks and stones and last of the planners and the upbuilders and the molders of history?

If it were proposed to turn this grant over to a private monopoly, I should fight it with all my might. But the grant is to the people of San Francisco and the towns and cities round about. It is a grant not for exploitation, not for the enriching of a favored few, not to be employed in extortion and oppression; it is a grant rather which will emancipate a great and growing community from galling bondage to a merciless taskmaster, whose finger may be seen in the opposition to this measure. San Francisco longs for freedom and she deserves to be free. But if we deny her this boon she must remain in thralldom. She must continue to suffer as she pays tribute to a remorseless private monopoly. And she must beat vainly against her bars unless we break them down by opening the mountain streams which sing afar of freedom and of growth and of health and of all which pure water means to man.

The Clerk read as follows:

SEC. 11. That this act is a grant upon certain express conditions specifically set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with the laws of said State.

Mr. MURDOCK. Mr. Chairman, I know the gentleman from Oklahoma is anxious to finish this bill; but, nevertheless, I move to strike out the last word in order that I may ask him the meaning of section 11, which has just been read. Why is that section inserted in the bill?

Mr. FERRIS. Mr. Chairman, I will state to the gentleman that there are irrigation people who are interested in this bill and there are water-rights people who are interested in the bill. They have certain prescribed rights. In addition to that, in regard to certain of the provisions of the bill to prevent extortionate charges, we have had to rely somewhat upon the public utilities commission of the State of California. We did not want to strike off the map the public utilities commission, and we did not want to take away their power to see that no one practiced extortion in respect to the charges for water or power. For that reason this section went in.

Mr. MURDOCK. I thought possibly that was a sort of concession to the State-rights doctrine.

Mr. FERRIS. I do not think so. I thought the gentleman from Illinois [Mr. MANN] stated the situation pretty well. The gentleman from Kansas and myself have both been here long enough to find out that there is a great divergence of opinion about these questions. The gentleman from Kansas has been here longer than I. We have a committee made up of Members from all sections of the country. We have had to compromise in places. There is no question about that; and yet I have always felt pretty safe in pinning my faith to all of the departments, and to the highest authority on conservation questions, and so long as we did not have to contract away any of the rights that seemed vital to them, or any of the questions that seemed vital to them, I think we traveled a good ways along the lines the gentleman has been thinking. I think he will surely agree that this committee has worked faithfully on this matter and that we have accomplished a good deal in the right direction.

Mr. MURDOCK. In one section of this bill we give the Federal Government the right to fix the charge in the future upon this privilege which we have granted to the city of San Francisco.

Mr. FERRIS. That is true.

Mr. MURDOCK. Is there anything in this section 11 which in any way weakens that power of the Federal Government?

Mr. FERRIS. I do not think there is. The gentleman knows that when Congress itself takes action it supersedes and transcends any of the State laws and we had that in mind. The bill is replete with restrictions and conditions that are satisfactory to the irrigation people on the one hand, and on the other they are conditions which the city of San Francisco will accept. That was satisfactory to the Secretary of the Interior; and we called in the Secretary of Agriculture, and he was satisfied. We then called in Mr. Newell, who knows more about irrigation—for he has spent $60,000,000 in irrigation—and it is satisfactory to him. We called in Mr. George Otis Smith, who is head of the Geological Survey, who knows of the stone and mineral deposits, and it is satisfactory to him. We then called in Mr. Graves, the head of the Forestry Service, who knows how to preserve and conserve the interests of the forest, and it is satisfactory to him.

Mr. MURDOCK. When the gentleman says "it" is satisfactory to them, does he mean the text of this measure?

Mr. FERRIS. I do. We have resubmitted it. After the committee made the amendments and changes, I myself, as chairman of the committee, resubmitted it to all of the departments, and we have a second letter with their indorsements.

Mr. MURDOCK. I desire to say that if I thought this last section was anything more than a sop to those who believe in the doctrine of State rights, I would not support the bill; but I do not believe that it is anything more than that.

Mr. FERRIS. I think the gentleman believes the bill is not full of good things.

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

Mr. FERRIS. Certainly.

Mr. HELM. The grantee mentioned in the bill is the city and county of San Francisco.

Mr. FERRIS. Yes; the city and county of San Francisco.

Mr. HELM. Then if they are the grantees, does not all of the rights and powers under the bill pass into their hands?

Mr. FERRIS. Undoubtedly.

Mr. HELM. And the mayor and city council or board of aldermen of the city of San Francisco and the officials of the county of San Francisco control it?

Mr. FERRIS. Undoubtedly, subject to all of these conditions.

Mr. HELM. In the light of past experience with the mayors of San Francisco and the city council of that city, does the gentleman consider that this is in very safe hands?

Mr. FERRIS. Well, I know that the city of San Francisco, like some other new and thriving cities, has had some dire experiences in local affairs, but I do not care to go into that question now. Mr. Chairman, I move that the committee do now rise and report the bill as amended to the House with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

Mr. MONDELL. Mr. Chairman, I trust that the gentleman will withhold that. I desire to offer an amendment—only a brief amendment.

Mr. FERRIS. What was the request of the gentleman?

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

Mr. FERRIS. Mr. Chairman, I thought the bill was closed to amendment.

Mr. MONDELL. Well, the bill has not been.

The CHAIRMAN. The gentleman from Oklahoma moves that the committee do now rise——

Mr. MONDELL. Well, Mr. Chairman, I trust the gentleman will not press that motion.

Mr. MANN. A motion to amend takes precedence.

Mr. FERRIS. I withhold the motion if the gentleman has something to offer. I thought we were through.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I did not intend to say anything more, but my good friend from Illinois has not quite accurately stated my position in regard to water. I do not claim that the Federal Government may not fix conditions on a grant of a right of way. I do not know but what it is possible that it might make a condition as to a grant of right of way over which water is to be carried that the city shall not charge over a certain amount for the water furnished to its citizens. That is a condition that I should not consider necessary or proper, but it does not impair a constitutional right. What I claim is that Congress has no power to shorten the sovereignty of a State; to fix a condition that takes from the local authorities the right to distribute waters among users. That authority rests with the State and its courts, and I do not see how any one can hold to the contrary. The question of how much water John has the right to use and how much Joe has the right to use is a judicial question that can not be settled by an act of Congress. That is my position. I do not insist that Congress may not fix many conditions in granting a right of way, but when you say that San Francisco may use so much of this water and the irrigation district so much you are attempting by legislation to settle a judicial question. Now, I want to say to my friend from Kansas that the provision that he refers to is not a new provision of law. It is the law of the land and always has been. It is the rule of the reclamation law and therefore a matter of statute, but it was the law before it went there. The attempt in this case is this. Gentlemen of the committee realize that we can not by act of Congress apportion water; that nothing written into a Federal statute would directly accomplish that, but they hope that they may divide the waters by a contract which they force the city of San Francisco to enter into. That is the proposition in this bill; that is all there is to it. Section 11 merely states the law as it is, as it always has been, as it would be without this provision, but back yonder in the bill are a lot of provisions they think may be enforced, contrary to that rule, through the medium of a contract. I do not think it is good legislation, I do not think it is wise, and I think we will have a lot of trouble with and greatly regret it in the future.

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

Mr. FERRIS. Mr. Chairman, I ask, at the expiration of the time of the gentleman from California [Mr. CHURCH], five minutes, that the committee——

Mr. MURDOCK. One moment. Will that preclude amendments of all kinds? I ask the gentleman that because I am thinking of moving to strike out section 11—not to discuss it, but simply to make the motion to strike out.

Mr. FERRIS. I hope the gentleman will not take up any more time.

Mr. MURDOCK. If the gentleman will permit me, I do not intend to discuss it, but if the gentleman will now allow me to make the motion he can talk to it.

The CHAIRMAN. The gentleman from California moves to strike out the last word.

Mr. MURDOCK. Mr. Chairman, I move to strike out section 11.

The CHAIRMAN. The gentleman from California has the floor.

Mr. CHURCH. Mr. Chairman and gentlemen of the committee, I have heard it frequently mentioned during the progress of this debate that the city and county of San Francisco will be the beneficiary under this act. I rise to say that San Francisco will not be its only beneficiary, for they are numerous. Every traveler in the future who visits the Hetch Hetchy Valley will be a beneficiary under this act, for if this bill passes travelers, instead of riding mules, horses, or crawling on hands and knees up and down the narrow, rugged, and devious pathway that leads backward to this place of beauty in the heart of the mountains, can travel in an automobile over the broad and ample road provided according to the provisions of this bill.

And the nature lover, it matters not from what land he comes, in my judgment will be one of its beneficiaries, for after exerting all his strength and reaching at last the mountain top and looking for the first time downward into the Hetch Hetchy, instead of beholding it as it now is, warm, brushy, and covered with an inferior growth of oak, will see a lake, blue, beautiful, and deep, in which fishes swim and on the borders of which campers rest, far away from civilization and the humdrum of active life.

And farmers far down at the base of the mountains on the San Joaquin plains will be beneficiaries under this act when they draw from this contemplated reservoir, held by a dam, which the millions of others have made, surplus water at cost with which to irrigate their farms.

And other beneficiaries there will be who pump water with which to irrigate their vines, orchards, and alfalfa fields, pumped by electric power generated far back in the mountains, in power houses not their own, brought to their very gateways at cost, on copper wires they did not swing.

And the great city of San Francisco, Queen City of the West, situated by the Golden Gate, will be the chief beneficiary; but I love to consider its benefit more from the standpoint of the people than I do the city, for a million men, women, and children will be there receiving benefits from this bill, for in the summer time they will have cool, refreshing water, product of Sierra's winter snow, pure as earth affords, with which to slake their thirst, and those there using electric power, whether it be the city operating electric car lines or the washerwoman using her electric iron, each and all will be benefited by this act.

The city itself will grow, and strangers on strange ships, coming from every land, will see her beauty and her growth. What helps our great city helps our State, and what helps our State adds new treasury to this great land, and so I claim from East to West, from North to South, all will be benefited by the passage of this bill.

Mr. MURDOCK. Mr. Chairman, I move to strike out section 11, lines 24 and 25, on page 25, and lines 1 to 8, inclusive, on page 26.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 25, strike out all of section 11, beginning with line 24 on page 25 and ending with line 8 on page 26.

Mr. MURDOCK. Now, Mr. Chairman, not to delay the committee, but in order to get the amendment itself into the RECORD, I will say that section 11 provides:

SEC. 11. That this act is a grant upon certain express conditions specifically set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with the laws of said State.

Now, Mr. Chairman, it has been said that the paragraph just read, which I have moved to strike out, is not of potency and of effect; that it is surplusage. If it is, it ought to be stricken out, and for that reason I make the motion that we strike it out.

Mr. FERRIS. Mr. Chairman, just a word in reply. The section is necessary for the purpose of making it clear that the Federal Government does not intend to interfere with the prescribed and vested rights of these irrigation people. I hope the committee will retain the section as it is.

I ask for a vote, Mr. Chairman.

Mr. SISSON. Mr. Chairman, I would like to ask the gentleman from Oklahoma [Mr. FERRIS] a question. This act is to go into effect subject to repeal or amendment by Congress?

Mr. FERRIS. It contains a provision to change the charter so far as the price charged is concerned.

Mr. SISSON. I understand that. But is not this granting to the State of California in absolute perpetuity the absolute right to control all the water?

Mr. FERRIS. No; not at all, if the gentleman will pardon me. It merely allows them to construct a dam and use the flood waters. It has nothing to do with the natural flow. That is left for the irrigation people as before.

Mr. SISSON. I understand that. But suppose in the future this would develop into a project of such a character that the Federal Government might see fit to deprive these people of this grant?

Mr. FERRIS. They can not do that, because, in other words——

Mr. SISSON. In other words, it is a charter in perpetuity.

Mr. FERRIS. They have to expend $77,000,000 to construct this system, and of course they must have the right to go ahead.

Mr. SISSON. It does not matter what they have to expend. I understand all that. It is virtually a charter granted to them in perpetuity.

Mr. FERRIS. It grants them the right to build a dam between two mountains. They now own three-quarters of the land that is to be flooded. The water is now a waste. This is wise conservation that all conservationists approve who understand it.

Mr. SISSON. It is admitted, however, that the Federal Government now has control of this proposition, otherwise they would not be here asking for this legislation. In other words, without this legislation the Federal Government would, as the Indians say, be in control "as long as grass grows and water runs."

Mr. FERRIS. Mr. Chairman, no; I think the gentleman is borrowing trouble. The grant is safeguarded by carefully approved regulations. This matter should be disposed of. I call for a vote.

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

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

Mr. MURDOCK. A division, Mr. Chairman.

The committee divided; and there were—ayes 11, noes 52.

So the amendment was rejected.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise and report the bill with the amendments favorably to the House.

The CHAIRMAN. The gentleman from Oklahoma [Mr. FERRIS] moves that the committee do now rise and report to the House the bill with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass. The question is on agreeing to that motion.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FOSTER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes, and had directed him to report the same back with amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. FERRIS. I move the previous question, Mr. Speaker, on the bill and all amendments thereto.

The SPEAKER. The gentleman from Oklahoma [Mr. FERRIS] moves the previous question on the bill and amendments to final passage. The question is on agreeing to that motion.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. STEENERSON. A division, Mr. Speaker.

The SPEAKER. The gentleman from Minnesota [Mr. STEENERSON] asks for a division. Those in favor of the previous question will rise and stand until they are counted. [After counting.] Seventy-nine gentlemen have arisen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Fifteen gentlemen have arisen in the negative.

Mr. STEENERSON. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. MANN. Before the Chair counts, or while the Chair is counting——

The SPEAKER. Has the gentleman from Illinois anything to suggest?

Mr. MANN. I was going to make a suggestion to the gentleman from Minnesota [Mr. STEENERSON] as to whether he desired to make the point of no quorum on the motion for the previous question or desired to endeavor to get a quorum on the passage of the bill?

Mr. STEENERSON. I am not particular on that point.

Mr. MANN. Of course, this is on the previous question.

Mr. STEENERSON. I understand; but this is the first opportunity I have had.

Mr. MURDOCK. Is the gentleman opposed to the bill?

Mr. STEENERSON. I am opposed to the bill.

Mr. MANN. The gentleman from Minnesota indicated that. It is quite certain that a quorum is here. I hope that the gentleman will withdraw his point.

Mr. STEENERSON. If the gentleman states that he knows that there is a quorum in the city I will do so.

Mr. MANN. I believe that has already been demonstrated by the vote to-day.

Mr. STEENERSON. I believe it lacked nine on the roll call.

Mr. MANN. No; there were more than a quorum.

The SPEAKER. On the roll call there were 218 Members present, and it only takes 215 to make a quorum.

Mr. STEENERSON. In view of the statement of the gentleman I withdraw the point of no quorum. I do not want to bring them here unnecessarily. [Applause.]

Mr. MANN. We all thank the gentleman.

Accordingly the previous question was ordered.

The amendments recommended by the Committee of the Whole House on the state of the Union were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. STEENERSON. Mr. Speaker, I demand the reading of the engrossed bill.

The SPEAKER. The engrossed bill is not here.

COMMITTEE RESIGNATION.

The Speaker laid before the House the following communication:

WASHINGTON, D. C., *August 30, 1913.*

Hon. CHAMP CLARK,
Speaker House of Representatives.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the special investigating committee appointed under House resolution 198 to investigate the Mulhall charges.

I am unable to attend to my duties in connection with this committee on account of illness.

Very respectfully,

JOHN I. NOLAN,
Fifth District California.

The SPEAKER. If there be no objection, this resignation will be accepted, and the Chair appoints in the place of Mr. NOLAN the gentleman from Michigan [Mr. MACDONALD].

AMBASSADOR TO SPAIN.

Mr. FLOOD of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate bill 2319, which is on the Union Calendar.

Mr. MANN. I take it the gentleman is asking unanimous consent?

Mr. FLOOD of Virginia. I thought this was a shorter method of getting at it than to call for the regular order. I will ask unanimous consent, Mr. Speaker.

The SPEAKER. The gentleman asks unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union to consider Senate bill 2319. Is there objection?

There was no objection.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2319) authorizing the appointment of an ambassador to Spain, with Mr. LLOYD in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the President is hereby authorized to appoint, as the representative of the United States, an ambassador to Spain, who shall receive as his compensation the sum of $17,500 per annum.

Mr. MANN. Mr. Chairman, I suppose the gentleman from Virginia will explain this bill.

Mr. FLOOD of Virginia. Mr. Chairman, I am not going to say very much about the bill. The purpose of it is to raise the legation to Spain to an embassy.

The suggestion of this courtesy was made to our State Department by the Spanish Government; and the Secretary of State and the President have requested Congress to pass a bill creating this embassy. It has passed the Senate and been reported unanimously by the Committee on Foreign Affairs of the House.

Among some of the reasons that were given to and occurred to the committee for giving higher rank to our diplomatic representative to Spain are:

The interests of this country in bringing about closer and more friendly relations with the Latin-American Republics ought naturally to include closer and more intimate relations with the mother country. There is little doubt that the action of the United States in sending an ambassador to Spain would have a direct effect upon the sentiments of the people of the Latin-American Republics, since the most sympathetic relations exist between the public men of Spain and those of the Latin-American countries.

Closer relations between Spain and Spanish America are being fostered through the exchange of professorships and scholarships in the different universities. Literary competitions have been held at Cadiz between the subjects of Spain and citizens of the countries of Latin America for the purpose of fostering closer relations and there has been formed in Spain a society of Spanish-American culture, designed to strengthen the bond between Spanish-speaking countries by means of lectures, courses of study, and the presence of delegates to the various national conventions of an intellectual order. All of these seem to emphasize the important bearing which our treatment of Spain may have upon our future relations with Spanish America.

The elevation of our diplomatic mission to Spain would help to eliminate whatever feeling may remain growing out of the disaster to the *Maine* and the Spanish War of 1898.

There is no doubt that the Government of Spain feels that it is not treated by our Government with that degree of dignity which other great powers have shown in their diplomatic representation there. Spain is a proud country and might resent the failure of this country to accord her recognition which she receives from the great nations of Europe. Germany, Austria-Hungary, France, Great Britain, Italy, and Russia all maintain embassies in Madrid, and the United States sends ambassadors to those countries. To dignify the relations between the two countries by causing the representatives of both to be ambassadors instead of ministers would do much to promote good feeling and friendly relations.

The feeling is apparent in Spain that that country ought not to be placed below Brazil and Mexico in the diplomatic representative accredited to it by the United States. Spain is a country of about 20,000,000 of inhabitants, of constantly increasing wealth and prestige, and with a great past. Her history has been intimately connected with that of nearly the whole of the Western Hemisphere and with important portions of the United States, particularly Florida, Louisiana, Texas, New Mexico, Arizona, and California. Then, Spain is taking an active interest in our great exposition of 1915, connected with the opening of the Panama Canal, and the time would seem to be especially fitting for according to her such representative as the other great powers already have.

The additional expense to our country would be comparatively trifling, amounting only to an increase of $7,875 per annum, and would be much more than adequately compensated by the increased good feeling on the part of the Spanish Government and people.

It is hardly consistent with the dignity of a great country like ours that its diplomatic representative on official occasions should give up to representatives of all other great powers and wait for audiences until every ambassador who chanced to appear has finished his interview and departed.

The business relations between citizens of this country and Spain have largely increased in recent years.

The administration and the State Department earnestly desire that this courtesy should be extended to Spain, as is evidenced by this letter from the Secretary of State to me:

DEPARTMENT OF STATE,
OFFICE OF THE SECRETARY.

MY DEAR MR. FLOOD: You may say to anyone who inquires that the President is heartily in favor of raising the Spanish mission to the rank of an embassy, and I share this desire. This action will be gratifying to all Spanish-speaking countries. Spain has, as you know, ambassadors at the leading courts of Europe and has a right to expect this mark of respect.

Yours, truly, W. J. BRYAN.

The diplomatic appropriation act for the fiscal year ending June 30, 1904, contained a provision that—

whenever the President shall be advised that any foreign Government is represented or about to be represented by an ambassador * * * he is authorized in his discretion to direct that the representative of the United States to such Government shall bear the same designation.

Spain has indicated a desire to create an embassy in this country. This provision of the act of 1904, however, was repealed by the diplomatic appropriation act approved March 2, 1909, which provided in its place that "hereafter no new ambassadorship shall be created unless the same shall be provided for by an act of Congress." Therefore, in order to carry out the wishes of the President to give higher rank to our diplomatic representative to Spain requires an act of Congress. [Applause.]

Mr. MURDOCK. I would like to ask the gentleman from Virginia what does an ambassador get?

Mr. FLOOD of Virginia. Seventeen thousand five hundred dollars.

Mr. MURDOCK. What is the salary of a minister?

Mr. FLOOD of Virginia. To a country of the class of Spain, $12,000.

Mr. MURDOCK. Are there no added expenses by reason of the change from minister to an ambassador?

Mr. FLOOD of Virginia. About $2,000 additional in the way of secretaries. I made an estimate of what the legation at Spain cost and what was the cost of the Italian embassy, and the difference is nearly $8,000.

Mr. MURDOCK. How, in the diplomatic world, does an ambassador differ from a minister?

Mr. FLOOD of Virginia. The ambassador is the highest grade of diplomatic representative. For instance, our representative at Spain has to wait upon the representatives of England, France, Germany, and Russia, all of which countries have ambassadors to Spain. In all questions of precedence the preference is given to ambassadors over the ministers, so we are in a lower grade in diplomatic circles than the great countries of Europe.

Mr. MURDOCK. The appointment of an ambassador rather than a minister gives our representative a higher standing at that court?

Mr. FLOOD of Virginia. Yes; a higher standing at the court, and also shows that we have a higher opinion of the standing of that country.

Mr. MURDOCK. If the gentleman will permit me, I remember, I think, in the beginning of my service in Congress that the ambassadors we had were limited in number to England, St. Petersburg, Germany, and France, and, I think, Mexico. Is the number of ambassadors constantly increasing?

Mr. FLOOD of Virginia. Our first embassy was created in 1893, and in that year there were four—France, Germany, Great Britain, and Italy. In 1898 two were created—Russia and Mexico; in 1902, Austria; in 1905, Brazil; and in 1906, Turkey and Japan. There are 10 embassies altogether. This will make 11.

Mr. MURDOCK. That is my understanding—that they are increasing.

Mr. FLOOD of Virginia. Mr. Chairman, I reserve the balance of my time.

Mr. MANN. Mr. Chairman, I do not know whether anyone else desires to take part in the general debate on this side. General debate is now open. The gentleman from Virginia [Mr. FLOOD] states that Spain has indicated a desire to create an embassy in this country. Of course I take his statement, but I would like to know how it was indicated.

Mr. FLOOD of Virginia. My information came from the State Department.

Mr. MANN. Why could not that information have been communicated to Congress in some way?

Mr. FLOOD of Virginia. It was communicated to the committee and the committee made a report communicating it to the House.

Mr. MANN. Mr. Chairman, I should think an administration that desired to have a minister created into an ambassador ought to be willing to send a communication to Congress on the subject. Formerly the President had the power to create any position of a minister into an ambassador, and that was done in several cases where the other country indicated a desire to have an ambassador as a diplomatic representative. Because possibly it was done so often Congress took that power away from the President.

Now, if the President or Secretary of State is informed that a country desires that a minister be changed into an ambassador, it seems to me that ordinary courtesy to Congress would indicate that the President or Secretary of State would say so to the House, which primarily deals with such questions. Apparently the State Department in this case has been unwilling to say anything upon the subject. The Secretary of State, in his leisure moments from lecturing on the Chautauqua circuit, has been able to write this long communication, not addressed to any committee of the House, not addressed to the chairman of a committee of the House as such, not addressed to the House, and so busy that he did not have time for dating it:

DEPARTMENT OF STATE,
OFFICE OF THE SECRETARY.

MY DEAR MR. FLOOD: You may say to anyone who inquires that the President is heartily in favor of raising the Spanish mission to the rank of an embassy, and I share this desire. This action will be gratifying to all Spanish-speaking countries. Spain has, as you know, ambassadors at the leading courts of Europe and has a right to expect this mark of respect.

Yours, truly, W. J. BRYAN.

No official report on the bill, no communication addressed to Congress asking for the legislation, but after the Senate has passed the bill, the distinguished gentleman from Virginia, with that graciousness which always characterizes him, succeeds in extracting from the Secretary of State, in his seldom leisure moments, this much of a recommendation of this bill.

Mr. Chairman, when the President desires to change a ministry into an embassy, it seems to me that the Congress has the right to be so informed. No one knows, except unofficially, whether Spain, so far as we are informed, desires to have an ambassador here or not. The Spanish War was in 1898. We have managed to get along very well without an ambassador at an increased salary until the new economic administration took charge of the Government. Having won the election on a platform of economy and the cutting down of expenses, the first thing that is proposed in reference to our national relations is to change the office of a ministry to an embassy, at an increased salary, in order that our representative in this particular country may get into the "eats" a little more quickly than he otherwise would, because practically that is all it amounts to, and when he is invited out to an official dinner, he will go in three or four numbers ahead of the time he would if he were a mere minister.

Mr. MURDOCK. And he gets more to eat also on account of his increased salary, does he not?

Mr. MANN. Oh, no; I do not think he gets any more to eat, but he will soon be complaining that with the salary that is given to him he can not afford to live in Madrid. [Laughter.] Just as soon as one of these gentlemen is appointed to one of these positions, as a rule before he takes the oath of office he announces to an expectant world that he can not afford to live on the salary; and I have sometimes wondered why they tried to, why they were so anxious to get the office, if they are to complain so soon that Congress did not provide a higher salary, a fancy home to live in, or something of that sort.

Mr. Chairman, I do not propose to delay the House with this illustration of democratic simplicity and economy. The first act of the new administration in its relations with European powers is to provide for the raising of a ministry to an embassy at a little more expense and a few more fangdoodles hung on to it. I leave it to the country to settle whether the Democrats got into power, after all, on a false platform. [Applause and laughter on the Republican side.]

Mr. CLAYTON. Mr. Chairman, will the gentleman from Illinois yield for a question?

The CHAIRMAN. Does the gentleman yield?

Mr. MANN. Certainly.

Mr. CLAYTON. What is a fangdoodle? I ask for information?

Mr. MANN. I will say this, that the gentleman from Alabama is not a fangdoodle. [Laughter.]

Mr. CLAYTON. I am very glad to know that I am not, and I take it that the gentleman from Illinois likewise can not be one.

Mr. MANN. There are not any frills on me.

Mr. ADAMSON. Mr. Chairman, if the gentleman from Virginia will yield me a minute or two, I think I can give an illustration which will bring peace to the troubled souls about me.

Mr. FLOOD of Virginia. How much time does the gentleman want?

Mr. ADAMSON. Oh, only a minute or two.

Mr. FLOOD of Virginia. I yield to the gentleman from Georgia.

Mr. ADAMSON. Mr. Chairman, the gentleman from Illinois [Mr. MANN] is troubled to understand what the gentleman from Virginia [Mr. FLOOD] means about the matter of precedence. In order to understand it he has only to recollect the difference between a Member of the House and a Senator. All good Members of the House want to be Senators, and all of the best Senators are those who have been trained here in the House.

Mr. MANN. Mr. Chairman, is this the first time the gentleman from Georgia has announced his candidacy for the Senate? [Laughter.]

Mr. ADAMSON. Oh, no; and I am not announcing it at all.

Mr. MANN. The gentleman is intimating an announcement of it, or he is making an error of statement.

Mr. ADAMSON. If the gentleman from Illinois will just recollect how he cools his heels in the anterooms when he calls at the departments to wait until the Senators go in and get all there is to be distributed, he will understand the advantage we will have in having an ambassador at a foreign court instead of a minister to wait and walk behind the ambassadors of all of the other nations.

Mr. MANN. The gentleman from Illinois does not cool his heels waiting on a Senator.

Mr. FLOOD of Virginia. Mr. Chairman, I yield three minutes to the gentleman from Virginia [Mr. MONTAGUE].

Mr. MONTAGUE. Mr. Chairman, it seems to me—and I speak with diffidence—that we have been very long and remiss in according this appropriate distinction to the Spanish people. If there is any reason for an ambassadorship at the Court of St. James, at Berlin, at St. Petersburg, at Rome, and in Mexico, the reasons are equal, and in some instances greater, for the establishment of such a diplomatic post at Madrid.

When the historical relations existing between Spain and this hemisphere are recalled, the great part that Nation took in the discovery of this New World, the subsequent and constant diminution of her influence on this continent, largely brought about by the aggressive spirit of the people of our own country, as finally evidenced by the Spanish-American War, it seems a very ungracious, if not a very arbitrary, distinction not to accord this proud and sensitive people the request for this ambassadorship.

I therefore submit that considerations of generous comity, of sound diplomacy, and of regard for the multitudes upon this hemisphere and in our insular possessions, who take from this ancient and mighty race their language, their literature, their laws, and traditions, all confirm our duty to concur in the passage of this Senate bill. [Applause.]

Mr. FLOOD of Virginia. Mr. Chairman, it is a fact that the Spanish Government has indicated time and again during the past few years a desire that their representative to this country and our representative to their country be made ambassadors instead of ministers.

Mr. MONTAGUE. Will my colleague kindly allow me to ask him this question? Am I not correct in saying that the former minister who represented so well this country, the distinguished gentleman from Illinois, Mr. Ide, has requested that we should have an ambassador sent there?

Mr. FLOOD of Virgina. He very recently so requested.

Mr. MANN. Who?

Mr. MONTAGUE. Mr. Ide, our former minister.

Mr. MANN. To where?

Mr. FLOOD of Virginia. Our minister from this country to Spain.

Mr. MANN. Of course they have always wanted it. There is no minister of the United States to any country who does not want to be ambassador. I mean while he has the job, of course.

Mr. MONTAGUE. He did not ask it for himself but for his successor

Mr. FLOOD of Virginia. He made this recommendation after he knew he would not be minister to Spain very long, after the name of his successor had been sent to the Senate by the President.

Mr. MANN. If the gentleman will pardon me, I have not criticized creating an ambassador to Spain.

Mr. FLOOD of Virginia. I know.

Mr. MANN. If there has been such a request by the State Department it seems to me that it ought to have been communicated to Congress.

Mr. FLOOD of Virginia. These suggestions do not come in the shape of a formal request of the Government that desires such a courtesy, but the diplomatic representative of that coun-

try here pays a visit to our State Department and makes the suggestion in a delicate way and not in a shape that it can be transmitted to Congress through a formal communication.

The letter of Mr. Bryan was written to me as chairman of the Foreign Affairs Committee and written for the purpose of indicating the desire of the Spanish Government in reference to this question and the wish of the administration in relation thereto. The additional expense will be something under $8,000 and is by way of economy, because it will prove a good investment. It will be appreciated by the Spanish-American Republics to the south of us, who feel, as my colleague from Virginia says, a deep interest in their old mother country. Spain itself is beginning to grow and develop in population and in wealth as it has not done in 100 years, and our business relations with it are increasing greatly. It is a great country, it has had a great history, and it has done much toward the discovery, the settlement, and development of the Western Hemisphere, and I think that this is a small compliment that this Nation should pay that great country when it has indicated its desire in this regard time and again for many years. [Applause.]

The CHAIRMAN. The Clerk will read the bill.

The bill was read.

Mr. FLOOD of Virginia. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. LLOYD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 2319 and had directed him to report the same back with the recommendation that it do pass.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. FLOOD of Virginia, a motion to reconsider the vote by which the bill was passed was laid on the table.

ANGELO ALBANO.

Mr. FLOOD of Virginia. Mr. Speaker, I ask unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7384, which is on the Union Calendar, to authorize the payment of an indemnity to the Italian Government for the killing of Angelo Albano, an Italian subject, who was killed at Tampa, Fla., two or three years ago.

The SPEAKER. The gentleman from Virginia [Mr. FLOOD] asks unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7384. Is there objection?

Mr. MANN. Reserving the right to object, to-morrow will be Calendar Wednesday. As I understand, we meet to-morrow.

Mr. FLOOD of Virginia. I understand the deficiency appropriation bill will come up to-morrow.

Mr. MANN. The appropriation bill could not be taken up without a two-thirds vote to dispense with Calendar Wednesday, and I think the gentleman will have a chance to dispose of his bill before the appropriation bill comes up. It will take only a few moments.

Mr. FLOOD of Virginia. I will say to the gentleman that I do not think it will take more than a few moments now.

Mr. MANN. And I think it will not take any longer to-morrow.

Mr. FLOOD of Virginia. Let us go into this to-night.

Mr. MANN. Oh, let us take it up to-morrow. It is time to adjourn.

Mr. FLOOD of Virginia. This is a very important measure. It carries but $6,000, but the worry it entails on everybody connected with the State Department is something terrific.

Mr. MANN. There is a way for it to come up to-morrow.

Mr. FLOOD of Virginia. It is the expectation of the chairman of the Appropriations Committee and the majority leader to get the deficiency bill up to-morrow. They hope to do it.

Mr. MANN. I have no doubt it will be gotten up to-morrow, but I think the gentleman would not have any trouble because of that.

Mr. FLOOD of Virginia. Let us start this and then adjourn.

Mr. MANN. Well, we will start it to-morrow.

The SPEAKER. Is there objection?

Mr. MANN. I object.

EXTENSION OF REMARKS.

Mr. MACDONALD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a compilation in regard to the water-power proposition on which I spoke to-day.

The SPEAKER. The gentleman from Michigan [Mr. MACDONALD] asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. FLOOD of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 4 minutes p. m.) the House adjourned until Wednesday, September 3, 1913, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, submitting a revised estimate of appropriation for public building work (H. Doc. No. 213); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on examination of Newport River, N. C., from its mouth to the head of navigation, or as far as may be advisable (H. Doc. No. 214); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

3. A letter from the Secretary of the Treasury, transmitting a communication from the Postmaster General, submitting an estimate of appropriation in the sum of $147.95 to pay the claim of Thomas Rogers, postmaster at Sheffield, Mo., for postage stamps lost in the burglary of his post office on October 25, 1893 (H. Doc. No. 215); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named as follows:

Mr. GARNER, from the Committee on Ways and Means, to which was referred the bill (H. R. 4937) extending to the port of Dallas, Tex., the privileges of section 7 of the act approved June 10, 1880, governing the immediate transportation of dutiable merchandise without appraisement, reported the same without amendment, accompanied by a report (No. 62), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MOORE, from the Committee on Ways and Means, to which was referred the bill (H. R. 7377) extending to the port of Perth Amboy, N. J., the privileges of section 7 of the act approved June 10, 1880, governing the immediate transportation of dutiable merchandise without appraisement, reported the same without amendment, accompanied by a report (No. 63), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. MOORE: A bill (H. R. 7894) to make June 17 of each and every year a public holiday in the District of Columbia, to be known as Bunker Hill Day; to the Committee on the District of Columbia.

By Mr. CLARK of Florida: A bill (H. R. 7895) to make the 27th day of March a legal holiday and designate the same Ponce de Leon Day; to the Committee on the District of Columbia.

By Mr. CROSSER: A bill (H. R. 7896) to provide for the acquisition, ownership, and operation by the Commissioners of the District of Columbia of all the street railroads located in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SPARKMAN: A bill (H. R. 7897) to provide for a site and public building at Plant City, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. FITZGERALD: A bill (H. R. 7898) making appropriations to supply urgent deficiencies in appropriations for the fiscal year 1913, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. LEVY: A bill (H. R. 7899) for the prevention of accidents to operatives, employees, and passengers of common car-

riers engaged in moving interstate traffic, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BOOHER: Resolution (H. Res. 240) directing the Secretary of Agriculture to communicate to the House of Representatives the cost and result of the investigation of the boll weevil; to the Committee on Agriculture.

By Mr. BRITTEN: Resolution (H. Res. 241) to investigate wrecks on the New York, New Haven & Hartford Railroad; to the Committee on Interstate and Foreign Commerce.

By Mr. FITZGERALD: Resolution (H. Res. 242) making it in order to consider provision for abolishment of the Commerce Court in connection with H. R. 7898; to the Committee on Rules.

By Mr. LEVY: Joint resolution (H. J. Res. 126) directing the Attorney General of the United States to discontinue further proceedings in the dissolution suit brought by the United States against the United States Steel Corporation; to the Committee on the Judiciary.

By Mr. SUMNERS: Concurrent resolution (H. Con. Res. 17) authorizing the Secretary of Agriculture to make an exhibit at the Sixth National Corn Exposition to be held at Dallas, Tex., during the month of February, 1914; to the Committee on Industrial Arts and Expositions.

By Mr. AINEY: Memorial of the Legislature of Washington, favoring survey of route for an intercoastal canal from the Straits of Juan de Fuca to Grays Harbor, thence to Willapa Bay, thence to Columbia River, thence to the Canadian border; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EDWARDS: A bill (H. R. 7900) for the relief of J. B. Shearouse; to the Committee on War Claims.

By Mr. SPARKMAN: A bill (H. R. 7901) for the relief of the heirs of Adam L. Eichelberger; to the Committee on War Claims.

By Mr. TAVENNER: A bill (H. R. 7902) for the relief of George W. Gamble; to the Committee on Claims.

By Mr. WOODS: A bill (H. R. 7903) granting an increase of pension to Theodore Walker; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

By Mr. BELL of California: Petition of the Chamber of Commerce of Long Beach, Cal., favoring the passage of legislation making an appropriation for the construction of four battleships, with necessary auxiliary boats; to the Committee on Naval Affairs.

By Mr. KEISTER: Petition of 1,800 employees of the American Sheet & Tin Plate Co., located in Kiskiminetas Valley, Pa., protesting against the dissolution of the United States Steel Corporation; to the Committee on the Judiciary.

By Mr. KENNEDY of Iowa: Petition of sundry merchants of various cities and towns of Iowa, favoring the passage of House bill 5308, compelling concerns selling goods direct to the consumer, by mail, to contribute their portion of the funds for the development of the local community, county, and State; to the Committee on Interstate and Foreign Commerce.

By Mr. RAKER: Petition of the Oroville Chamber of Commerce, Oroville, Cal., favoring the passage of House bill 52 for the establishment of the Peter Lassen National Park; to the Committee on the Public Lands.