By Mr. GARRETT of Tennessee: A bill (H. R. 19180) granting an increase of pension to William S. Love; to the Committee on Invalid Pensions.

By Mr. GLASS: A bill (H. R. 19181) for the relief of the heirs of Edward A. Scott; to the Committee on War Claims.

By Mr. LAFFERTY: A bill (H. R. 19182) granting an increase of pension to John P. Hicks; to the Committee on Invalid Pensions.

By Mr. LEE of Pennsylvania: A bill (H. R. 19183) granting an increase of pension to John Schultz; to the Committee on Invalid Pensions.

By Mr. MORRISON: A bill (H. R. 19184) granting an increase of pension to William Lietzke; 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. CRAMTON: Protest of the business men of Port Huron, Mich., against the Government printing envelopes by the awarding of a contract; to the Committee on the Post Office and Post Roads.

By Mr. ESCH: Petition of the National Council, Daughters of Liberty, of Philadelphia, Pa., favoring passage of House bill 6060, relative to literacy test for immigrants; to the Committee on Immigration and Naturalization.

By Mr. BAILEY: Petition of A. Kent Miller, of Somerset, Pa., and the Gross Department Store, of Cresson, Pa., protesting against proposed tax on automobile factories; to the Committee on Ways and Means.

Also, petition of C. L. Pearson and others, relative to investigation of cucumber diseases; to the Committee on Agriculture.

By Mr. FINLEY: Petition of Ira B. Dunlap, W. J. Roddey, and I. L. Johnson, of Rockhill ,S. C., against tax on life insurance; to the Committee on Ways and Means.

By Mr. GLASS: Petition of sundry business men of the sixth congressional district of Virginia, favoring passage of House bill 5308, relative to taxing mail-order houses; to the Committee on Ways and Means.

By Mr. HENSLEY: Petition of the Federation of Railway Employees of De Soto, Mo., favoring peace; to the Committee on Foreign Affairs.

By Mr. JOHNSON of Washington: Petition of sundry citizens of Raymond, Puyallup, Olympia, Chehalis, Vancouver, Port Townsend, Wilkeson, Ridgefield, Woodland, Kent, Buckley, Centralia, Kelso, Sumner, and Tenino, all in the State of Washington, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. KONOP: Petition of the Eagle Manufacturing Co., of Appleton; the Appleton Iron & Metal Co., of Appleton; and Greene, Fairchild, North, Parker & McGillan, of Green Bay, all in the State of Wisconsin, protesting against legislation to prohibit the Government from selling stamped envelopes with the address to business people; to the Committee on the Post Office and Post Roads.

By Mr. MORIN: Petition of the Pittsburgh (Pa.) Plate Glass Co., against tax on automobiles; to the Committee on Ways and Means.

By Mr. REILLY of Wisconsin: Petition of sundry citizens of Chilton, Wis., protesting against attempts by certain American newspapers to prejudice the American people against Germany in European war; to the Committee on Foreign Affairs.

SENATE.

THURSDAY, *October 8, 1914.*

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we seek Thy face and favor that we may have the courage of life's great obligation and duty. We not only look into the face of man unafraid and seek to conquer the accidental circumstances of life, but as kings and priests unto God Thou hast given to us to have dominion over the work of Thy hands. Thou hast given to us Thy Holy Word to guide us in the discharge of these our duties. Grant us this day the inspiration that cometh from above, that with convictions founded upon Thy revealed truth and with the boundless faith of those who believe in God we may address ourselves to the tasks of the day. Bless us in Christ's name. Amen.

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

THE TIDAL BASIN (S. DOC. NO. 593).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, in response to a resolution of August 25, 1914, a report regarding the practicability and desirability and cost of converting the tidal basin in the Potomac Park into a public bathing beach, which was referred to the Committee on the District of Columbia and ordered to be printed.

THE ROCKEFELLER AND CARNEGIE FOUNDATIONS (S. DOC. NO. 592).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, stating, in response to a resolution of August 5, that the organizations known as the General Education Board of the Rockefeller Foundation and the Carnegie Foundation are not related to the work of the department, etc., which was referred to the Committee on Appropriations and ordered to be printed.

UNITED STATES EXPRESS CO. (S. DOC. NO. 594).

The VICE PRESIDENT laid before the Senate a communication from the Public Utilities Commission of the District of Columbia, stating, pursuant to law, that the balance sheet of the United States Express Co., not previously submitted to the Speaker of the House of Representatives under date of February 3, 1914, or September 1, 1914, has been submitted on this date, together with a letter of explanation, which was referred to the Committee on the District of Columbia and ordered to be printed.

FORTIFICATION OF SWEET WINE (S. DOC. NO. 591).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of September 28 (calendar day, October 3), 1914, a statement containing the names and addresses of the manufacturers of sweet wine who use wine spirits or grape brandy in the fortification of sweet wines, etc., which, with the accompanying papers, was referred to the Committee on Finance and ordered to be printed.

THE PRESIDENT.

Mr. THOMAS. Mr. President, the Washington Post this morning contains an editorial highly commendatory of the President, and as it is decidedly in contrast with its unfriendly position concerning the Executive and his administration I ask unanimous consent for leave to insert the editorial, without reading, in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The editorial referred to is as follows:

[From the Washington Post, Thursday, October 8, 1914.]

THE PRESIDENT.

The American people are proud of the manner in which the President has sustained the dignity and prestige of the United States during the troublous times succeeding the outbreak of the European war.

This mighty, free, democratic Nation, peopled by men who possess full individual and political rights, with absolute freedom of opinion and with intelligence to form a correct opinion, is the only nation of the first rank in the world that is not involved in war. It is on friendly terms with all nations, and wishes to retain their friendship.

The President has interpreted to foreign nations the true spirit of the United States. He has made plain to them the desire of this Nation to maintain a policy of strict neutrality and impartial friendship, while guarding its own rights. He has shown that this Nation intends to adhere scrupulously to its ancient rule of refraining from participating in the politics of Europe. He has striven to make clear the fact that the United States will continue its independent course; that it seeks no advantage at the expense of the nations now at war, and that it stands ready and anxious to use its friendly offices in behalf of peace among them all.

The real greatness of the Nation has been reflected by the words and the attitude of the President. His own achievements in behalf of the maintenance of peace between the United States and Mexico add weight to his utterances. The good faith of the United States as an advocate of world peace is not and can not fairly be impugned. It is also apparent to the world that this Nation is absolutely free from intrigue or double-dealing in its relations with other countries. It has no allies; it has no secret ententes; it is not playing one nation against another. It stands apart, upheld by its own independence, its free manhood, and its boundless strength. Its will is expressed by intelligent opinion, not by shot and shell. It has no ambitions which clash with the peaceful ambitions of any other nation. It profits most when other nations are peaceful and prosperous.

Americans are justly proud of the majestic figure of the United States, looming up above the world's battle clouds, serene in its own might, with good will in its heart toward every nation. They are grateful to the President for the great and simple dignity with which he has maintained the time-honored rule of Jefferson—"Peace, commerce, and honest friendship with all nations, entangling alliances with none."

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien,

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (H. R. 11745) to provide for certificate of title to homestead entry by a female American citizen who has intermarried with an alien, and it was thereupon signed by the Vice President.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented petitions of sundry citizens of Pittsburgh and New Brighton, in the State of Pennsylvania; of Muskegon, Mich.; Montrose, Colo.; Bovina Center, N. Y.; and Hanna City, Ill., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which were referred to the Committee on the Judiciary.

Mr. TOWNSEND. I have received many telegrams from Michigan in reference to the so-called revenue-tax bill, one from a citizen of Michigan living at Flushing, as follows:

FLUSHING, MICH., *October 7, 1914.*

Hon. CHARLES E. TOWNSEND,
Washington, D. C.:

Farmers of Michigan ask for $500,000,000 to loan at 3 per cent. Security: Hogs, hay, and potatoes—better security than cotton. Please present this to proper committee and amend Sheppard bill accordingly.

IRA T. SAYRE.

I have several telegrams here, I repeat, in reference to the revenue bill, one of which I desire to read. It is dated Holland, Mich., October 7, 1914.

HOLLAND, MICH., *October 7, 1914.*

Senator CHARLES E. TOWNSEND,
Washington, D. C.:

The proposed stamp tax on proprietary medicinal preparations is again class legislation, hitting Michigan specially hard, and creates conditions for concerns in the pharmaceutical trade that are confiscatory and absolutely prohibitive to successful continuance. The drug trade is already burdened with far more than its share in war cost. The advance in drugs and chemicals has already made it extremely difficult for manufacturers to maintain their preparations without advance, and the addition of this proposed tax is more than the industry can bear. Please use your influence to avoid the throttling of pharmaceutical manufacturing, which is so important a part of Michigan's successful industries.

DEPREE CHEMICAL CO.,
By CON DEPREE, *General Manager.*

To the same effect I have telegrams signed by the Pyramid Drug Co., of Marshall; Grant W. Stevens, president of the Retail Druggists' Association of Detroit; E. J. Heywood and F. H. Pepper, of Detroit; J. H. Webster, president of the Detroit Retail Druggists' Association; the Michigan Drug Co., of Detroit; and the Herpicide Co., of Detroit, which I ask to have referred to the Committee on Finance.

The VICE PRESIDENT. They will be so referred.

Mr. CHAMBERLAIN. I desire to submit a number of telegrams just received by me protesting against the proposed tax on proprietary medicines. I do not care to have them read into the RECORD, because they are of the same general tenor as those submitted by the Senator from Michigan [Mr. TOWNSEND], but I do ask to have the names of the protestants inserted in the RECORD.

There being no objection, the telegrams were referred to the Committee on Finance, and the names attached thereto were ordered to be printed in the RECORD, as follows:

Telegrams from B. E. Haney, of Portland; the Retail Druggists' Association of Portland; George Moulton, 639 Washington Street, Portland; the Plummer Drug Co., of Portland; the Brook Drug Co., of Portland; and Yelman & Bader, 800 Front Street, Portland, all in the State of Oregon.

Mr. FLETCHER. I have a telegram from the president of The Florida Metropolis to the same effect, which I should like to have printed in the RECORD.

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

JACKSONVILLE, FLA., *October 7.*

Hon. D. U. FLETCHER,
United States Senate, Washington, D. C.:

According to representations made to us by proprietary medicine manufacturers, we are convinced that war tax would impose unnecessarily severe hardship on them. We trust you will see your way clear to oppose a tax on people's medicines which will reach into the homes and tend to advertise and prolong hard times.

G. A. MCCLELLAN,
President The Florida Metropolis.

Mr. BURTON. I have three telegrams pertaining to the pendthe revenue bill, which I ask to have read at the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read.

The Secretary read as follows:

CINCINNATI, OHIO, *October 7, 1914.*

Hon. THEODORE E. BURTON,
Washington, D. C.:

We emphatically protest against war tax on proprietary medicines, the people's medicines, in time of peace. Worst piece of politics the Democratic Party ever pulled off. If there must be a war tax, place it where it will not go into the homes of the people. Every stamp seen by the people will delay prosperity.

THE PAPE, THOMPSON & PAPE CO.

CINCINNATI, OHIO, *October 7, 1914.*

Hon. THEODORE E. BURTON,
United States Senate, Washington, D. C.:

In behalf of 60,000 workers in the brewing industry, we enter emphatic protest against the unfair advance in the beer tax to $1.75 per barrel. Beer is the workingman's beverage, and we protest that the workers shall carry the entire burden. This tax will entail only burdens on the working class and on an industry which has been taxed to the limit, without protection from the Government. We are now facing extermination of the brewing industry in Ohio, Colorado, Washington, Oregon, and California, with State and National officials secretly working in favor of destroying what the Government considers its milch cow in time of need.

JOSEPH PROEBSTLE,
International Secretary,
International Union United Brewery Workmen.

CINCINNATI, OHIO, *October 7, 1914.*

Hon. THEODORE E. BURTON,
United States Senate, Washington, D. C.:

If Democratic Party ever expects normal times, do not allow war stamps to be seen by the people. We protest strongly against proprietary medicine war tax, which stamps would be seen in every household in the United States. Is this underhanded work of doctors' trust? Every stamp acts as a red flag and advertises hard times and the soup house.

THE WALTER LUTHER DODGE CO.

Mr. GRONNA. I have here a telegram from Hon. J. T. Hardy, a distinguished citizen of my State, protesting against a tax on automobiles. It consists of only a couple of lines, and I ask to have it printed in the RECORD and referred to the Committee on Finance.

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

FARGO, N. DAK., *October 7, 1914.*

Senator A. J. GRONNA,
Washington, D. C.:

The Fargo Automobile Club, 180 members, protest against proposed horsepower tax unless similar tax is levied on all wheeled vehicles. Letter follows.

J. P. HARDY, *President.*

Mr. SHEPPARD. I have received a telegram from E. A. Pat Paffrath, of Fort Worth, Tex., which I ask may be printed in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

FORT WORTH, TEX., *October 4, 1914.*

Senator MORRIS SHEPPARD,
Washington, D. C.:

Am glad our people have observed peace Sunday as per request of our President, the greatest constructive living Christian statesman, but we should not forget to relieve the distress of our suffering cotton growers. If our Government could spend $400,000,000 to build the Panama Canal, why can't our Government lend $400,000,000 of its credit on cotton to our cotton farmers and relieve the commerce of our own people, and do it now and inspire our people with new hope?

E. A. PAT PAFFRATH.

Mr. PERKINS presented memorials of F. S. Albertson and Charles S. Wiley, of Long Beach, Cal.; the Bank of Corning and Maywood Garage, Corning, Cal.; F. O. Renstrom Co. and Pacific Kissel Car Branch, San Francisco, Cal., remonstrating against the proposed tax on automobiles, which were referred to the Committee on Finance.

He also presented a memorial of the First National Bank of Hayward, Cal., remonstrating against the proposed tax on banks, which was referred to the Committee on Finance.

He also presented memorials of the Fidelity Mutual Life Insurance Co. and California State Life Insurance Co., California, remonstrating against proposed tax on insurance companies, which were referred to the Committee on Finance.

He also presented a memorial of Langley & Michaels Co., San Francisco, Cal., remonstrating against proposed tax on proprietary medicines, which was referred to the Committee on Finance.

He also presented memorials of sundry automobile dealers of San Jose and San Francisco, in the State of California, remonstrating against the proposed tax on automobiles, which were referred to the Committee on Finance.

He also presented memorials of Kirk, Geary & Co., of Sacramento, Cal., remonstrating against proposed tax on drugs; Farmers & Merchants' Bank and First National Bank of Mountain View, Cal., against proposed tax on banks; and Chamber of Commerce of Sacramento, Cal., against the proposed tax on wines, which were referred to the Committee on Finance.

Mr. KERN presented memorials of the Hoover Liniment Co., of Carlisle, Ind., and of R. M. Zeds, of Indianapolis, Ind., remonstrating against the proposed tax on proprietary medicines, which were referred to the Committee on Finance.

Mr. WEEKS presented a petition of the Board of Trade of Dorchester, Mass., praying for the enactment of legislation

granting pensions to civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

Mr. DU PONT presented a memorial of the Wilmington Association of Retail Druggists of Delaware, remonstrating against the proposed tax on proprietary medicines and cosmetics, which was referred to the Committee on Finance.

He also presented a memorial of the Delaware Automobile Association, of Wilmington, Del., remonstrating against the proposed tax on gasoline and motor cars, which was referred to the Committee on Finance.

Mr. SHIVELY presented petitions of the Northwest Indiana Conference of the Methodist Episcopal Church, in session at La Fayette, Ind., and of the Hoosier Winona Club, of Laporte, Ind., praying for national prohibition, which were referred to the Committee on the Judiciary.

THE SPLENDID CONDITION AND BUSINESS PROSPECTS OF THE UNITED STATES.

Mr. MYERS. Mr. President, during the last few days, in view of the pending revenue measure, there has been much said in this body, on the other side of the Chamber, about the depressed financial condition of the country. There seems to be no appreciation of the fact that this revenue measure is not an additional revenue measure, but simply a measure for raising revenue from new sources. There seems to be no cognizance taken of the fact that the less revenue that is raised from one source the more revenue must be raised from another source, and that it amounts to no more, in the aggregate, to the people, who must bear it all in any event.

Last Saturday there were several addresses delivered on the Republican side of the Chamber which depicted in very gloomy terms the alleged depressed financial, industrial, and commercial condition of the country. The Senator from Washington [Mr. JONES], in making some strictures upon and criticism of the administration, quoted and read from the Washington Post. That is a paper which has been quoted very much in this Chamber in the last year in criticism of the Democratic administration.

In view of that fact, I send to the desk and ask to have read an editorial from the Washington Post of the 4th instant.

Mr. SMITH of Arizona. That has already been printed in the RECORD.

Mr. SMOOT. I think that editorial was inserted in the RECORD on the request of the Senator from Colorado [Mr. THOMAS].

Mr. FLETCHER. It is not the same.

Mr. MYERS. The Senator from Florida says it is not the same.

Mr. FLETCHER. The Senator from Colorado had an editorial printed which appeared in this morning's Post. The one offered by the Senator from Montana appeared on the 4th instant, I understand.

Mr. MYERS. It is a different article, but I will be satisfied if it be printed in the RECORD without reading.

Mr. SMOOT. That will be very much better, I think.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. JONES. I want to ask the Senator from Montana——

Mr. MYERS. I ask that the editorial be read, as some Senators around me desire it to be read. I will, however, yield to the Senator from Washington.

Mr. JONES. I understood the Senator from Montana referred to me as having placed some quotations from the Washington Post in my speech?

Mr. MYERS. I did.

Mr. JONES. The Senator said they were extensive. I do not remember inserting in my speech anything from the Post except about eight lines giving the imports of certain products; that is all.

Mr. MYERS. The Senator misunderstood me. I said the Senator had made reference to the Washington Post in the address he made on last Saturday, and further said that the Washington Post was a paper which had been very much quoted in the last year in criticism of the administration. I send to the desk and ask to have read the editorial referred to by me from the Washington Post of the 4th instant.

Mr. JONES. In that connection I wish to suggest to the Senator that I did not quote from the Post in criticism of the administration. I simply quoted from figures that it contained in regard to imports; that is all.

Mr. MYERS. I should like to have read the editorial I have sent to the desk.

The VICE PRESIDENT. Is there objection to the reading of the editorial?

Mr. OLIVER. I object to the reading of the editorial. I am perfectly willing that it shall be printed in the RECORD without reading.

The VICE PRESIDENT. The question is, Shall the editorial be read? [Putting the question.] The ayes seem to have it. The ayes have it, and the Secretary will read as requested.

The Secretary read as follows:

THE SPLENDID CONDITION AND BUSINESS PROSPECTS OF THE UNITED STATES.

The present and future condition of the United States affords ground for solid satisfaction and optimism among Americans who are best acquainted with its largest affairs.

The derangements caused by the war in Europe are temporary, and their effect is not so injurious as was feared at first. The aftermath will be permanent benefits to this country—an enormous expansion of business, which is even now in sight.

The public debt of the United States is very small in comparison with the immense wealth and resources of the country. The bonds of the United States are largely, if not almost wholly, held by Americans. This debt, interest and principal, can be paid without effort as it becomes due, and the money goes to our own people. In a broad sense it might be said that the United States is out of debt, with a huge surplus of wealth stored in its Treasury and among the people.

The private securities of American corporations held abroad are said to reach $4,000,000,000. If Americans were suddenly compelled to take over these securities, there would be good reason for anxiety, but no such condition exists. There is no way of dumping these securities upon the United States. We do not have to send gold to Europe in great quantities unless we wish to do so. The comparatively small amounts now going out are ample for obligations coming due. The banks are handling this business without difficulty, and no European nation has shown the slightest sign of uneasiness so far as its financial claims upon the United States are concerned.

Europe is in need of the food and necessities of life which are produced in such great abundance in this country. The slackening in the demand for cotton is but temporary. Cotton is a necessity under modern conditions. Europe will call for it in such quantities that the present supply and next year's crop will be absorbed, to say nothing of the increased demand for home manufacture. This staple represents wealth. It is a collateral security that will sustain the South, and the most far-sighted southerners are giving warning against radical curtailment of next year's crop. The world must have cotton, and it must buy it from the United States. Meanwhile it is held and owned by American citizens as an asset of enormous value.

While the war rages the stream of gold that was poured into Europe by travelers is checked at its source. It remains in the United States. It exceeds the entire amount of the war tax. This money will flow through the channels of American business and will practically offset all the damages inflicted by the war.

When the war ends Europe will tackle the job of rehabilitation. It will turn to the best market for food, clothing, building materials, bridges, railroad material, steel, coal, fuel oil, machinery, and all the supplies required in building up waste places and restoring communications and business. Every man in the United States engaged in production, every farm and factory will feel the impulse of prosperity created by this foreign demand.

The European nations, while just now engaged in burning up their property and their energies in the fires of war, are not exterminating themselves. What is lost must be restored. What is torn down must be rebuilt. The moment peace is declared this recuperative process will begin. It will be as widespread and as powerful for reconstruction as war is for destruction. The marvelous rapidity with which slopes on the very lips of Vesuvius are reclothed with vines and orchards, the magic which raised San Francisco from ashes, will be manifested throughout Europe when the millions now engaged in war turn their energies to restoration. Then they will draw upon the greatest storehouse of materials that exists in the world—the United States.

The demoralization of production in Europe and the needs of war are creating a big business for the United States; but this commerce is as nothing compared with the demand that will arise when Europe takes stock of its devastation and begins the task of rehabilitation.

Mr. JONES. Mr. President, if that editorial shows anything, it shows conclusively that no special tax bill is necessary. The argument that it presents is all against the necessity for the proposed special taxes.

I have here a telegram from the Washington State Automobile Association expressing pleasure at the elimination of the special tax in regard to automobiles and gasoline. The telegram expresses this hope:

We sincerely hope a uniform policy of taxation against all users of highways and streets shall be allowed, if any are to be taxed, graduating the same on the mileage basis. This position is concurred in by the Automobile Club of Seattle and the Western Motor Car Magazine.

I have also a telegram opposing the tax on real-estate and loan brokers, which says:

This business is extraordinarily depressed nearly everywhere, immense competition here and probably elsewhere, and tax would break up hundreds of small brokers everywhere. Can not business affording reasonable income be substituted? Small broker, moderate sized city, should pay little compared with big broker in large city.

This is from Spokane and is signed by Mauser & Mauser, Dent Bros., C. A. Lindsay, O. E. Guernsey, Boyd & Sorsenson, and Colin Campbell.

I have also a telegram from the Northwest Motor Co., of Seattle, Wash., protesting against the proposed tax on automobiles. I ask that these several telegrams be referred to the Committee on Finance.

The VICE PRESIDENT. They will be so referred.

PROPOSED TAX ON FIRE INSURANCE POLICIES.

Mr. STERLING. I hold in my hand a letter from the commissioner of insurance of South Dakota relating to the proposed tax on fire insurance policies which I ask to have read.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Secretary read as follows:

CHICAGO, *September 30, 1914.*

Hon. THOMAS STERLING,
Senate Chamber, Washington, D. C.

MY DEAR SIR: I desire to call your attention to a bill now pending in the Congress which passed the House on Friday of last week and known as Union Calendar 337, House bill 18891, introduced by Mr. UNDERWOOD, reported by the Ways and Means Committee, and entitled "A bill to increase the internal revenue, and for other purposes."

Upon page 281 of the printed bill, beginning at line 9, will be found a provision relating to "insurance—marine, inland, fire"—and, in substance, this provision requires the payment of a stamp tax upon each fire insurance policy amounting to one-half of 1 per cent of the premium.

This is copied from the old Spanish War tax, and the facts about the operation of that tax, as applied to fire insurance, are as follows:

No credits were allowed by the department in the administration of the Spanish War tax for any return premiums or amounts paid for reinsurance.

In 1913 the gross premiums of stock fire insurance companies in the United States were in round figures $474,000,000, and the net premiums were $324,000,000. In other words, there was returned to the policyholders by reason of the cancellation of policy contracts and amounts paid for reinsurance the sum of $150,000,000.

Every policy issued in the United States contains a provision that it may be canceled under certain conditions, either at the request of the insured or of the company, and it is also true that when the agents send in lines that they have solicited that are in excess of the net lines the companies will write the companies immediately relieve themselves of liability by reinsuring a portion of the line in some other company.

A transaction of this kind involves but one risk and one premium, and yet under the ruling of the department construing the Spanish War tax the company initially writing the business paid the tax, and also the reinsuring company, and when policies were canceled there was no means of securing any rebate for the tax upon the unearned and returned premium.

I do not understand that the companies are desiring to oppose this tax in a general way, but are asking that the bill as it passed the House be amended so that reinsurance will be exempt from taxation and the companies can obtain a rebate upon premiums returned upon canceled policies.

It seems very evident that under the ruling of the department in administering the Spanish War tax the companies were taxed twice upon these items of return premiums and reinsurance, and this could not have been the intention of the legislature.

I am inclined to believe that all departments of insurance will view this matter as I do. From my examination I am satisfied that the companies should have the amendment to the law, and I hope you will use such efforts as you can to secure it.

Yours, very truly,

O. K. STABLEIN,
Commissioner of Insurance, South Dakota.

PROPOSED TAX ON BROKERS.

Mr. POINDEXTER. I present a memorial signed by a number of brokers in the city of Spokane, Wash., protesting against a tax on real-estate and loan brokers. While the memorial is signed by a large number of brokers and citizens of Spokane, I will not ask that their names be printed, but I ask that the petition itself be printed in the RECORD.

There being no objection, the memorial, omitting the signatures, was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

SPOKANE, WASH., *October 3, 1914.*

Hon. MILES POINDEXTER.

DEAR SIR: In addition to the telegram already sent, we understand by the realty board of this city, we, the undersigned real-estate agents of this city, request you in every manner possible to protest against the imposition of a $50 war tax on brokers, so far as it affects the business of a real-estate and loan broker, for the following reasons:

First. The real-estate and loan broker of a city with 100,000 people, such as Spokane, should not be asked to pay as much as a broker of the city of the size, say, of New York City, Chicago, Cincinnati, etc.

Second. The business of real estate is to-day in no condition to stand a tax of $50, as people do not buy real estate here for cash to-day for speculation, and very little for homes, owing to present financial conditions, and we believe the same conditions to prevail in most, if not all, parts of the United States. The same conditions affect the loan broker.

Third. In our opinion, from what we understand, this tax, owing to said present conditions, would drive over one-half of the real-estate and loan agents out of business; therefore the Government would not derive the expected revenue from this source, and it would do better to tax an occupation more able to stand it. As in our opinion we reflect the views of most of the agents of this city, we urge you to oppose this part of the war-revenue bill.

JOHN MITCHELL.

Mr. CLAPP. From the Committee on Naval Affairs I report back favorably without amendment the bill (H. R. 12161) to remove the charge of desertion against John Mitchell, and I submit a report (No. 811) thereon. This is a bill which has already passed the House, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to the consideration of the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to remove the charge of desertion against John Mitchell, who served on the U. S. S. *Great Western*, *Oriole*, and *Huntress*, and to issue to the said John Mitchell, or in case of his death to his heirs or other legal representatives, a certificate of discharge: *Provided*, That no pay or bounty for any period of time during which the said John Mitchell was absent from his command without leave of absence shall accrue or be payable by virtue of the passage of this act.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PENSIONS AND INCREASE OF PENSIONS.

Mr. SHIVELY. From the Committee on Pensions I report back favorably with an amendment the joint resolution (H. J. Res. 361) to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294. It will take only a minute to pass the joint resolution, and I ask unanimous consent for its present consideration. (S. Rept. 809.)

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which had been reported from the Committee on Pensions with an amendment, to add at the end of the joint resolution the following:

That the item in the act (Private, No. 86, 63d Cong., 2d sess.) granting an increase of pension to Harriet E. Perkins be corrected and amended so as to read as follows:

"The name of Harriet E. Perkins, widow of Edwin C. Perkins, late of Company C, Twenty-second Regiment Massachusetts Volunteer Infantry, and pay her a pension at the rate of $20 per month in lieu of that she is now receiving."

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the joint resolution to be read the third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "A joint resolution to correct certain errors in H. R. 12045, H. R. 12914, H. R. 13542, H. R. 14234, H. R. 14738, H. R. 15692, and H. R. 16294, and for other purposes."

JOHN BROWNLOW ZIEGLER.

Mr. KERN. From the Committee on Privileges and Elections I report back favorably without amendment the joint resolution (S. J. Res. 192) granting American citizenship to John Brownlow Ziegler. On behalf of the Senator from Oregon [Mr. LANE] I ask unanimous consent for the immediate consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That John Brownlow Ziegler, residing in the city of Portland, county of Multnomah, State of Oregon, be, and he is hereby, unconditionally admitted to the character and privileges of a naturalized citizen of the United States.

Mr. SMOOT. For the RECORD I should like to have the Senator from Indiana state the facts in this case and why it is necessary to pass the joint resolution at this time.

Mr. KERN. The Senator from Oregon [Mr. LANE], I think, is familiar with the circumstances and is better able to explain the matter than am I.

Mr. LANE. Mr. President, if the Senator will allow me, I will state that I am personally acquainted with the gentleman who is seeking to be readmitted to American citizenship. The facts in relation to the case are, I am informed, that a few years ago, when lands in Alberta, Canada, were being opened up on very advantageous terms to American citizens—Senators will remember that they were described as, and proved to be, great wheat-growing lands—Mr. Ziegler went up there for the purpose of taking advantage of that opportunity. He did not remain, but came back, I think, the same summer or fall, and made application for readmission to American citizenship, having applied during the time he was in Canada for citizenship in that country.

He has been nominated by the Progressives, the Prohibitionists, and the Democrats for the State legislature. He is a man who takes a great and intelligent interest in public affairs and is the author of an amendment to the city charter of Portland protecting the public right to the water front. The joint resolu-

tion is designed to afford him an opportunity to become again a citizen of the United States in time to be voted for at the election to represent the Democrats, the Progressives, and the Prohibitionists in the Oregon State Legislature.

Mr. SMOOT. Mr. President, I wish to ask the Senator if Mr. Ziegler entered lands in Canada?

Mr. LANE. I think not. I am informed that he did not like the country and came home. He was misled, I am told, as to the value of the land and the opportunities there.

Mr. SMOOT. I know there were tens of thousands of Americans who went up there and who purchased land, but never took out their papers in that country.

Mr. LANE. Many people did that; they remained there until they raised a good crop and made some money, and then came home; they remained there only for one or two seasons.

Mr. CHAMBERLAIN. Mr. President, may I suggest to my colleague that there are precedents for just such a joint resolution as this, where emergencies have existed making it desirable that a person be admitted to American citizenship?

Mr. SMOOT. All I wanted was the information, so that it would appear in the RECORD.

Mr. GRONNA. Mr. President, I do not know that I shall object to this joint resolution, but, if I am not mistaken, measures of this nature have always been referred to the Committee on Immigration. It is true, as the Senator from Oregon has just said, that we have heretofore considered measures of this nature; we have had two of them, I think, at this session; but in both those cases the bills were referred to the Committee on Immigration, and I should like to know why this measure was referred to a different committee?

Mr. LANE. Mr. President, when I introduced the joint resolution, I will say for the information of the Senator, that I asked that it be referred to the Committee on the Judiciary, it being my assumption that it properly belonged to that committee; but a difference of opinion arose in the Senate as to the committee to which the bill should be referred. I did not care where it went, so long as it received consideration at the hands of a good, fair committee. The President of the Senate designated the Committee on Privileges and Elections to take charge of the joint resolution, as it seemed to relate to matters within the jurisdiction of that committee. There was no prejudice at all. As Senators will remember, at that time the Committee on the Judiciary was very busy in connection with another matter; but I think I asked that the bill be referred to that committee.

The man is not an immigrant; he was born in the State of Tennessee, and has lived all his life in this country, with the exception, perhaps, of six months, in which he was in the Province of Alberta, Canada. He is a native-born American.

Mr. GRONNA. He has never been a citizen of any other country?

Mr. LANE. He applied for citizenship in the Province of Alberta, but renounced it and came back home and made application to be readmitted to American citizenship.

Mr. GRONNA. I assume he took up land in Canada and that, in order to do so, he would have to sign the same papers and make the same agreement that every homesteader makes who desires to take up land in Canada; that he is subject to military duty in that country, and that he has to become a citizen of that country before he can make final proof of his homestead.

Mr. LANE. I think not. I think, if he did make application for land, that he relinquished his claim, for he came back the same season that he went to Alberta. He went there early in 1905, came back in the fall of 1905, and has resided in the city of Portland ever since.

I know when I was mayor of the city of Portland he was one of the most active citizens we had in the interest and behalf of the proper, careful, and economical expenditure of the public money. He was a good citizen. At times he was almost too critical; he watched affairs closely, and has been of material advantage to the city of Portland. I have said that he is the author of an amendment to the city charter providing a common-user clause for the streets and the lines of railway over streets and public property to the harbor. If he had been a citizen of Oregon 40 years ago, he would have saved that town $40,000,000 in the way of public property.

Mr. VARDAMAN. That is the sort of men we need in this country.

Mr. GRONNA. I desire to say to my friend from Oregon that I know of hundreds of men who have gone to Canada, men who were born in the United States, and who have always been citizens of the United States, who are now citizens of Canada or subjects of Great Britain. I find no fault with the Senator's resolution. I am not going to object to its consideration, but I should like to know why measures of this kind, which are of the highest importance, are sometimes referred to the Committee on Immigration, sometimes to the Committee on the Judiciary, and in this case the Committee on Privileges and Elections makes the report.

Mr. LANE. I will say to the Senator that really I do not know.

The VICE PRESIDENT. The Chair will answer the question and give the information. When this question was before the Senate a statement was made as to the condition of this man. There were suggestions that the joint resolution be referred to the Committee on Immigration, to the Committee on the Judiciary, and to the Committee on Privileges and Elections. After hearing a large number of Senators the Chair said that as this man was a native-born citizen and not a foreign-born citizen, if there was no objection the joint resolution would go to the Committee on Privileges and Elections. That is the way it was referred to that committee.

Mr. LANE. I will say also, for the information of the Senator, that a large number of good farmers and good citizens have left the Northwest, from the Senator's State and also from the State in which I reside, and have gone into Canada, for the reason that the lands were virgin soil and have raised large crops of wheat. Many of them have stayed there. If we can get any of the good ones to come back, I think it would be a good idea to do so.

The VICE PRESIDENT. The joint resolution is in the Senate and open to amendment.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ELWIN CARLTON TAYLOR.

Mr. THORNTON. From the Committee on Naval Affairs I submit a favorable report on the bill (S. 6199) to reinstate Elwin Carlton Taylor as a passed assistant surgeon in the United States Navy. I call the attention of the Senator from New Jersey [Mr. HUGHES] to the bill.

Mr. HUGHES. I ask unanimous consent for the present consideration of the bill.

Mr. SMOOT. Mr. President, I ask the Senator from New Jersey to explain, in a few words, why this bill should be passed.

Mr. HUGHES. I can only refer the Senator to the letter of the Secretary of the Navy that there is great need for the services of this class of officers, and the record of this particular individual while in the service was of such a character that the Secretary states in his communication that while, as a general rule, he is opposed to legislation of this character, he regards the present case as sufficiently meritorious to justify him in asking Congress to take favorable action on the bill.

I was about to ask to have the letter read from the desk. It contains all the information I have on the subject. A similar bill has been unanimously passed by the House.

Mr. SMOOT. I ask that the letter from the Secretary of the Navy may be read.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read the letter, as follows:

DEPARTMENT OF THE NAVY,
Washington, August 18, 1914.

The CHAIRMAN COMMITTEE ON NAVAL AFFAIRS,
United States Senate.

MY DEAR MR. CHAIRMAN: In further reference to the memorandum of your committee of recent date, inclosing a copy of the bill (S. 6199) to reinstate Elwin Carlton Taylor as a passed assistant surgeon in the United States Navy, and requesting the views of the department thereon, I have the honor to inform you as follows:

Elwin Carlton Taylor was born May 7, 1875, and is now approximately 38 years and 10 months of age. He was appointed an assistant surgeon in the Navy October 12, 1903; was promoted to passed assistant surgeon October 12, 1906; and resigned March 12, 1908. He entered the Navy again June 27, 1912, as an acting assistant surgeon and is serving in that capacity at the present time. His total naval service amounts to about six years, and his record as an officer in the regular service and as an acting assistant surgeon is excellent.

Under date of March 4, 1914, the department, in commenting on the bill H. R. 7194, for the relief of this officer, recommended certain amendments to that bill. The proposed measure now under consideration (S. 6199) has embodied in it the recommendations contained in the department's letter of March 4, 1914.

While the department's general policy continues adverse to the enactment of special legislation and to legislation seeking to make an officer an extra number except in specially meritorious cases, nevertheless, in view of Dr. Taylor's creditable services in the Navy and to the need of medical officers with his experience, I recommend that favorable action be taken on the bill S. 6199.

Faithfully, yours,

JOSEPHUS DANIELS,
Secretary of the Navy.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the President of the United States, in his discretion, be, and he hereby is, authorized to appoint Acting Asst. Surg. Elwin Carlton Taylor, United States Navy, to the grade of passed assistant surgeon, United States Navy, as an additional number, to rank next after the fifty-ninth officer in lineal standing on the list of passed assistant surgeons, and that no back pay or allowances shall accrue as a result of the passage of this act: *Provided*, That the said Elwin Carlton Taylor shall be required to satisfactorily pass the usual examinations required by law to determine his physical, mental, moral, and professional fitness to perform the duties of the grade to which he is to be appointed.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC BUILDING AT GASTONIA, N. C.

Mr. SWANSON. From the Committee on Public Buildings and Grounds I report back favorably without amendment the bill (H. R. 17764) to provide for sale of portion of post-office site in Gastonia, N. C., and I submit a report (No. 810) thereon I call the attention of the junior Senator from North Carolina [Mr. OVERMAN] to the bill.

Mr. OVERMAN. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to sell at public sale for a consideration of not less than $2,500 the following piece or parcel of land lying and being in the city of Gastonia, N. C., recently acquired by the Government of the United States for a public building, and more particularly described as follows: Beginning at the northeast corner of the site and running south 40 minutes east 58 feet to an iron pipe marking a corner of the site; thence west 6 degrees 33 minutes south 35 feet to an iron pipe; thence north no degrees 25 minutes west about 58 feet to the northern boundary of the site; thence east 6 degrees north about 35 feet to the place of beginning. And the Secretary of the Treasury is hereby authorized and directed to execute a quitclaim deed to the purchaser of the foregoing piece of land, which shall transfer title from the United States to such purchaser.

SEC. 2. That the proceeds arising from the sale of the property described be covered into the Treasury of the United States as a miscellaneous receipt.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

VANCE PARK, CHARLOTTE, N. C.

Mr. SWANSON. From the Committee on Public Buildings and Grounds I report back favorably without amendment the bill (H. R. 15575) donating the old iron fence around Vance Park, Charlotte, N. C., to the Mecklenburg Declaration of Independence Chapter, to be placed around Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County, and I submit a report (No. 812) thereon.

Mr. OVERMAN. I ask unanimous consent for the present consideration of the bill. It is a brief bill and local in its character.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the old iron fence around Vance Park, in the city of Charlotte, N. C., now being removed in the construction of a United States post-office and courthouse building, is hereby donated to the Mecklenburg Declaration of Independence Chapter, Daughters of the American Revolution, Charlotte, N. C., for the purpose of being placed around the historic revolutionary Craighead Cemetery, near Sugar Creek Church, in Mecklenburg County: *Provided*, That without expense to the United States the grounds shall be left in good condition upon the removal of the fence, including any proper and incidental repairs.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

JOSEPH P. LEITER.

Mr. FLETCHER. From the Committee on Military Affairs I report back adversely the bill (H. R. 10719) for the relief of Joseph P. Leiter, and I submit a report (No. 808) thereon. I suppose the proper order would be to request that the bill be indefinitely postponed. I believe, however, the Senator from Ohio [Mr. BURTON] is somewhat interested in the bill, and I desire to call his attention to it. As I have just stated, it is a bill for the relief of Joseph P. Leiter. If the Senator from Ohio prefers, the bill may go to the calendar.

Mr. BURTON. I should prefer to have the bill go to the calendar.

The VICE PRESIDENT. The bill will be placed on the calendar.

AGRICULTURAL COOPERATION AND RURAL CREDIT IN EUROPE.

Mr. FLETCHER. From the Committee on Printing I report back favorably with an amendment Senate resolution 404, submitted by the Senator from Massachusetts [Mr. WEEKS] June 26, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There was no objection.

The amendment of the Committee on Printing was, in line 1, before the word "thousand," to strike out "twenty" and insert "ten."

The amendment was agreed to.

The resolution as amended was agreed to, as follows:

Resolved, That 10,000 additional copies of part 1 of Senate Document No. 261, "Agricultural Cooperation and Rural Credit in Europe," be printed for the use of the Senate document room.

DANISH AGRICULTURE (S. DOC. NO. 589).

Mr. FLETCHER. On June 26 I presented to the Senate a manuscript entitled "Danish Agriculture," being an address delivered by Hon. Rudolf Schou, counselor of state, of Copenhagen, Denmark, and it was referred to the Committee on Printing for action. I am directed by the Committee on Printing to report a resolution, for which I ask present consideration.

The resolution (S. Res. 464) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the manuscript submitted by Mr. FLETCHER on June 26, 1914, entitled "Danish Agriculture," an address delivered by Hon. Rudolf Schou, counselor of state, Copenhagen, Denmark, be printed as a Senate document.

DEVELOPMENT OF THE WEST (S. DOC. NO. 588).

Mr. FLETCHER. On September 12 the Senator from Arizona [Mr. ASHURST] presented two articles on western topics, and they were referred to the Committee on Printing for action. I am directed by the Committee on Printing to report the following resolution and ask for its present consideration.

The resolution (S. Res. 463) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the manuscript submitted by Mr. ASHURST on September 12, 1914, entitled "Development of the West," being a series of articles on western topics by Hon. FRANCIS G. NEWLANDS, United States Senator from Nevada, be printed as a Senate document.

BILLS AND JOINT RESOLUTION INTRODUCED.

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

By Mr. CHAMBERLAIN:

A bill (S. 6603) to amend section 1 of an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc.," approved April 19, 1908; to the Committee on Pensions.

By Mr. SMITH of Arizona:

A bill (S. 6604) authorizing the Secretary of the Interior to issue patent to the city of Phoenix, Ariz., for certain lands, and for other purposes (with accompanying paper); to the Committee on Public Lands.

A bill (S. 6605) granting an increase of pension to George W. Read; to the Committee on Pensions.

By Mr. POMERENE:

A bill (S. 6606) granting an increase of pension to Sarah B. Hamer (with accompanying papers);

A bill (S. 6607) granting an increase of pension to Eliza J. Riggs (with accompanying papers);

A bill (S. 6608) granting an increase of pension to Louisa C. Pangburn (with accompanying papers); to the Committee on Pensions.

By Mr. WEEKS:

A bill (S. 6609) granting a pension to Louisa B. Shiere; to the Committee on Pensions.

By Mr. NORRIS:

A bill (S. 6610) granting an increase of pension to John W. Gaddis; to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 6611) to remove the charge of desertion from the military record of John Vankirk; to the Committee on Military Affairs.

A bill (S. 6612) granting an increase of pension to Rudolph W. Donmoyer (with accompanying papers);

A bill (S. 6613) granting a pension to Pearl Noel (with accompanying papers);

A bill (S. 6614) granting an increase of pension to Philip Crowl (with accompanying papers); and

A bill (S. 6615) granting an increase of pension to Nathaniel Trueblood (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS:

A joint resolution (S. J. Res. 195) to postpone the requirement of $100 worth of labor upon each mining claim for the year 1914 until the year 1915; to the Committee on Mines and Mining.

THE CHESAPEAKE & DELAWARE CANAL.

Mr. SAULSBURY. I submit a resolution for which I ask immediate consideration. It is self-explanatory, and simply requests information.

Mr. SMOOT. Let the resolution be read.

Mr. BRYAN. I ask that the resolution may be read.

The VICE PRESIDENT. The Secretary will read the resolution.

The resolution (S. Res. 465) was read, as follows:

Resolved, That the Secretary of War is hereby directed to furnish for the use of the Senate such information as he can secure as to the price at which the existing Chesapeake & Delaware Canal and all the property, rights of property, franchises, and appurtenances used or required in connection therewith or appertaining thereto can be purchased; and

Resolved further, That the Secretary of War is directed to secure, prepare, and report to the Senate summaries of reports of Government commissions, officers, and engineers heretofore made, and such facts, information, and opinions of the boards or officers of the Army and Navy as he may deem proper or pertinent as to the advantage or disadvantages, commercial, naval, and military, of the acquisition of said canal by the United States.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. BURTON. Mr. President, I am not going to object to the resolution, but I think it comes very near to a violation of the statute, which is to the effect that after one report has been made upon any river and harbor project no other or further report shall be made without the action of Congress, by concurrent resolution or otherwise. I query whether the Secretary of War, under that statutory provision, is justified in giving the information asked for in this resolution. That, however, is a question for him to decide.

Mr. SAULSBURY. I may say that there have been so many reports made heretofore on this matter that it is very desirable, I think, that there shall be summaries furnished of those reports and of the various opinions which have been rendered. That is the only object of the resolution. Doubtless the resolution can not be complied with because of the large amount of official information now on file; and to prevent any misconception or misrepresentation regarding this matter, so that we may have the facts before us, I have introduced this resolution, that they may be condensed and furnished the Senate, so that they may be available when desired. I thought the Senator would not object to the resolution, and I offered it with the concurrence of the acting chairman of the Committee on Commerce. There has been so much said on this subject that I wanted the latest and most complete summary of all the official information to be had.

Mr. BURTON. The resolution, however, goes a little further than that. It asks the Secretary of War to report the price at which the canal can be purchased.

Mr. SAULSBURY. That is true. There is no doubt of that.

Mr. BURTON. There are two distinct subjects in the resolution. So far as it is a request for a mere summary of existing documents, I do not think any objection would lie under the law; but the War Department necessarily should be very careful not to violate the statute to the effect that further reports shall not be made without the authorization of Congress; otherwise, favoritism will prevail. In past years numerous efforts were made to obtain reports, the furnishing of which would have been an evasion of the law, and I think finally the War Department adopted the rule that no such report would be made without the concurrent action of both Houses of Congress.

The resolution was considered, by unanimous consent, and agreed to.

THE INITIATIVE AND REFERENDUM.

Mr. OWEN. Mr. President, I ask permission to insert in the RECORD a memorandum relating to the initiative and referendum, explaining what it is, where it is in use, and how it works.

The VICE PRESIDENT. Is there any objection?

Mr. SMOOT. I will ask the Senator if this memorandum is any different from that which we have had printed before as public documents?

Mr. OWEN. Yes. It is simply a short explanation of what the initiative and referendum is.

Mr. SMOOT. I was counting the other day the number of articles upon the same subject we have had printed as public documents, and I found that we already have had 33 of them printed. Of course I am not going to object to this, but really I want to say that I should like to see the day arrive when our CONGRESSIONAL RECORD will be a record of what is done in Congress, and will not be filled with editorials from every paper in the United States, not filled with the correspondence of all the Senators and Members of Congress, and not filled with extraneous stuff to the amount of about 70 per cent of the whole RECORD. I want to live to see that day.

The VICE PRESIDENT. There being no objection, the request of the Senator from Oklahoma is granted.

The matter referred to is as follows:

THE INITIATIVE AND REFERENDUM—WHAT IT IS—WHERE IT IS IN USE—HOW IT WORKS.

What is direct legislation?

Direct legislation is the right of the people to enact or reject laws by their votes at the polls, just as they now vote upon candidates or constitutional amendments. It is exercised through the initiative and referendum.

What is the "initiative"?

The initiative is a method by which the people can propose a law or constitutional amendment by petition. The petition is filed with the secretary of state four months prior to a general election, and submitted by him to the voters at the ensuing election. If a majority of the voters voting on the question vote "yes," the law is enacted and goes into operation. If a majority vote "no," it is rejected. Example: The people of Maine for years demanded a direct primary law. The legislature refused to pass it. An initiative petition, signed by 12,000 voters, was filed. The law was submitted at the general election of 1911 and adopted by a vote of 65,810 to 21,774. It has since been in operation.

What is the "referendum"?

The referendum is a method by which the people may reject at the polls acts of the legislature which do not suit them. A petition against a law must be filed within 90 days after the legislature adjourns. The law is then suspended and a vote is taken upon it at the next general election. If a majority vote "no," the law is vetoed; if "yes," the legislature is sustained. Example: The Legislature of South Dakota passed a State militia bill. It was opposed because it put an added heavy expense on the taxpayers and because the people were against militarism. A referendum petition was filed, the bill was suspended from operation, and rejected at the general election of 1910 by a vote of 57,440 "no" to 17,854 "yes." And so the law was "vetoed" by the people.

Are the initiative and referendum "new" and "revolutionary" doctrines?

No. From the beginning of our Government, the American people have retained the right to vote on certain questions, such as State constitutions, bond issues, city charters, location of State and county seats of government, boundary lines, local option, etc. Also they have voted on amendments to State constitutions, city charters, and occasional laws, but only when the legislature would permit them. The initiative and referendum give the people the power to vote on any measure they desire and when they want to, without the permission of the legislature.

How large petitions are required?

Eight per cent of the voters of a State are usually required on initiative petitions and 5 per cent upon referendum petitions. A better system is to require a flat number of signatures. The splendid amendment pending in Mississippi requires 7,500 qualified voters upon initiative petitions and 6,000 for the referendum. Maine requires 12,000 for the initiative and 10,000 for the referendum. One man in convention or legislature can make a motion and 10,000 citizens combined should not be denied this right.

Why do we need the initiative and referendum?

"The methods of our legislatures make the operations of political machines easy, for very little of our legislation is formed and effected by open debate upon the floor. Almost all of it is framed in lawyers' offices, discussed in committee rooms, and passed without debate. Bills that the machine and its backers do not desire are smothered in committee; measures which they do desire are brought out and hurried through their passage. It happens again and again that great groups of such bills are rushed through in the hurried hours that mark the close of the legislative sessions, when every one's vigilance is weakened by fatigue and when it is possible to do secret things.

"When we stand in the presence of these things and see how complete and sinister their operation has been, we cry out with no little truth that we no longer have representative government. * * *

"If we felt that we had genuine representative government in our State legislatures no one would propose the initiative and referendum in America. They are being proposed now as a means of bringing our representatives back to the consciousness that what they are bound in duty and in mere policy to do is to represent the sovereign people whom they profess to serve, and not the private interests which creep into their counsels by way of machine orders and committee conferences. * * *

"It must be remembered by every candid man who discusses these matters that we are contrasting the operation of the initiative and referendum not with the representative government which we have in theory, but with the actual state of affairs."—(President Woodrow Wilson, in an address at Kansas City, May 5, 1911.)

Who favor and who oppose direct legislation?

The men of every political party who believe in the American doctrine of government by the people are favorable. It has been adopted in the platforms of all political parties at various times and places. Organizations of the producing classes, such as farm and labor organizations, reform organizations, etc., are especially strong for it. It is strenuously—but often secretly—opposed by all reactionary politicians, all the big trusts and corporations, nearly all the corporation lawyers, and every corrupt political boss in the United States. This is the line-up.

Where are they in operation?

In many States and in a large number of cities throughout the Nation. The following is a table of the 17 States in which initiative

and referendum amendments to the State constitutions have been submitted by the legislatures and adopted by the people:

[From Bulletin No. 1, issued by the bureau of information of the National Popular Government League. Compiled by Judson King, executive secretary, Washington, D. C.]

Date of adoption.	State.	Popular vote on amendment.		Character of amendment.
		For.	Against.	
1898	South Dakota	23,816	16,483	Defective.
1900	Utah [1]	19,219	7,786	Worthless.
1902	Oregon	62,024	5,688	Excellent.
1905	Nevada	4,393	792	Defective.
1912	do. [2]	9,956	1,027	Good.
1906	Montana	36,374	6,616	Defective.
1907	Oklahoma	180,383	73,059	Do.
1908	Maine	51,991	23,712	Do.
1908	Missouri	177,615	147,290	Good.
1910	Arkansas	91,363	39,680	Do.
1910	Colorado	89,141	28,698	Do.
1911	Arizona	12,534	3,920	Excellent.
1911	California	138,181	44,850	Do.
1912	Nebraska	189,200	15,315	Defective.
1912	Washington	110,110	43,905	Do.
1912	Idaho [1]	43,658	13,490	Worthless.
1912	Ohio	312,592	231,312	Fair.
1913	Michigan	219,388	152,038	Good.

[1] Amendment not self-executing; legislature has refused to pass an enabling act hence people have never been able to use it.
[2] Referendum only; initiative added.

Is the movement growing?

Yes; and rapidly. Initiative and referendum amendments will be voted upon at the general election November 3, 1914, in the States of Mississippi, Wisconsin, Minnesota, North Dakota, Texas, and Maryland. It is a live political issue in nearly every other State.

BRYAN FOR THE MISSISSIPPI AMENDMENT.

Hon. William Jennings Bryan, Secretary of State, has written a letter indorsing the Mississippi amendment and urging its adoption. It shows his attitude upon the initiative and referendum. He says, in part:

"I am gratified to learn that the Legislature of Mississippi at its last session submitted a constitutional amendment providing for the initiative and referendum. *I have examined the amendment and believe it to be one of the best submitted.* As you know, I have for a number of years been an active advocate of the initiative and referendum. We put it in our State platform in Nebraska 18 years ago, and since that time I have spoken for it in many States.

A DEMOCRATIC PRINCIPLE.

"The principles underlying the initiative and referendum are so democratic that these reforms are sure to commend themselves to the Democratic Party. It is commending itself, too, to a large majority of the Republican Party, who at heart have faith in the capacity of the people for self-government. There are only two objections that can be honestly made to the initiative and referendum. One is the aristocratic objection, which is based upon the lack of confidence in the masses, and the other the plutocratic, which is based upon the idea that the masses can not be trusted to deal justly with property interests.

THE PEOPLE CAN BE TRUSTED.

"Both of these objections are groundless. The masses have proven, wherever given an opportunity, their ability to deal with questions of government. The aristocratic idea of representative government is that the people themselves are not intelligent enough to decide public questions, but should select a few superior men to think for them and act for them. *This reasoning is, of course, fallacious as well as undemocratic. The people can act more intelligently upon a proposed reform of government than they can upon an individual, because they can understand a proposed reform better than they can a person; and then, too, a proposed reform does not change after the election, while the individual may.*

THE PLUTOCRATS ARE WRONG.

"The plutocratic argument against the initiative and referendum is equally unsound. The people are conservative; they can be trusted not to violate the rights of property. Experience will show that violations of property rights are more often traceable to the avarice of those who are able to obtain a monopoly than to the masses, who can have no selfish interest in the doing of injustice.

THE DANGER FROM NEGLECT.

"I have no doubt that a majority of those who vote upon the proposed amendment will vote for it; the only danger in Mississippi is the danger that the friends of the initiative and referendum had to encounter in Arkansas, namely, the failure to vote. Your constitution requires that the amendment shall receive not merely a majority of the votes cast upon that subject but a majority of all votes cast at that election, and experience shows that a great many people fail to vote on amendments unless an active campaign is waged to bring the amendment clearly to the attention of the people. I hope, therefore, that those in favor of the initiative and referendum will see to it that every voter is reminded of the fact that the amendment is to be acted upon, so that it will not be lost by failure of some of the voters to express themselves on this particular subject.

"I regard the initiative and referendum as the greatest modern improvement in the strengthening of representative government."

SENATOR LA FOLLETTE URGES ADOPTION OF THE INITIATIVE AND REFERENDUM IN WISCONSIN.

United States Senator LA FOLLETTE, of Wisconsin, is a distinguished champion of popular government. In urging the adoption of the pending amendment in his own State he says:

"For years the American people have been engaged in a terrific struggle with the allied forces of organized wealth and political corruption. Battles have been won and lost. The unequal contest goes on. The lesson is obvious. The people must have in reserve new weapons for every emergency if they are to regain and preserve control of their Government.

"The forces of special privilege are deeply intrenched. Their resources are inexhaustible. Their efforts never relax. Their political methods are insidious. It is impossible for the people to maintain perfect organization in mass. They are often taken unawares and are liable to lose at one stroke the achievements of years of effort. In such a crisis nothing but the united power of the people expressed directly through the ballot can overcome the enemy.

"Through the initiative, referendum, and recall the people in any emergency can absolutely control. The initiative and referendum make it possible for them to demand a direct vote and repeal bad laws which have been enacted, or to enact by direct vote good measures which their representatives refuse to consider. The recall enables the people to dismiss from public service those representatives who dishonor their commissions by betraying the public interest. These measures will prove so effective a check against unworthy representatives that it will rarely be found necessary to invoke them.

"If there is a State in this Nation in which the people are capable of deciding questions for themselves, it is Wisconsin. We should adopt the initiative, referendum, and recall by an overwhelming vote on November 3."

How has direct legislation worked in the States where it has been tried?

It has worked well. Although reactionary politicians in these States would be delighted to have the initiative and referendum abolished, they do not dare to start a movement for their repeal. They know it would spell their political death, because the people believe in the initiative and referendum and value it highly, especially after they have used it a few years. The experience of all these States can be summed up in a recent statement by Mr. William Spence, master of the farmers State Grange of Oregon, in which he said:

"The common people of Oregon would not give up the referendum. It has done too much good. No one fights against it here but the corporations and grafting politicians it has put out of a job."

The corporation newspapers and lawyers are trying to convince the people of other States that the initiative and referendum have failed where tried. What hurts them is that the people are using their power for their own benefit and not for the benefit of the interests. The Government is passing from the hands of the bosses into the hands of the people. The bosses do not like it and that is the whole story in a nutshell.

Was not this Nation founded upon the principle of "representative government," and is not the initiative and referendum in conflict with that principle?

Former Senator Joseph W. Bailey, of Texas, made this contention the chief basis of an attack upon initiative and referendum at the time he retired from the United States Senate, and it is being widely used by reactionaries throughout the Nation. Senator Bailey's argument was completely annihilated by Senator ROBERT L. OWEN, of Oklahoma, in reply to Bailey. Here is a quotation:

"This Republic was not founded on any so-called 'representative principle.' The representative is merely a convenience, a servant, an agency, subject of right to the direct control of the people.

"This Republic was founded on the principle that the people were sovereign and had a right, if they pleased, to manage their business directly, a God-given right, vested in them, inalienable and indefeasible, and directly to alter, amend, or abolish any law. Every State constitution declares and exemplifies this fundamental principle. Every State constitution, except one, was established by the direct lawmaking power of the people.

"The option to use the initiative and referendum is not in conflict with the present convenient system of legislating through representatives, but is in harmony with that system and makes it more representative, not less representative."

[NOTE.—Senator OWEN's complete speech, entitled "People's Rule v. Boss Rule," can be had upon application to the National Popular Government League, Washington, D. C.]

ANSWERS TO OBJECTIONS.

The following are the most familiar objections made to the establishment of the initiative and referendum and answers by eminent public men.

I. THE PEOPLE ARE NOT INTELLIGENT ENOUGH TO VOTE UPON LAWS.

"The alleged ignorance of the people has been urged in all ages against progress in government. It was the chief argument made against the establishment of the American Republic. Some ultra-conservative people may honestly believe the people are incompetent, but the objection is usually made by those who fear the intelligence, not the ignorance, of the people.

"The judgment of a whole State, expressed at the ballot box, after full discussion and opportunity for information, which the State should furnish, is about the safest guide in the affairs of government I know of.

"Our whole system of government assumes the capacity of the people to judge the worth of legislative acts. We elect men upon the measures they advocate or oppose. We reelect them or not, as we think the measures they have enacted good or bad. Is it not absurd, then, to hold that the people have brains enough to vote upon the men but not intelligence enough to vote upon the measures themselves, printed in black and white? I confess it is a mystery to me how some men can conceive the people to be 'intelligent citizens' just before election and 'an irresponsible mob' immediately after election." (Hon. GEORGE W. NORRIS, United States Senator from Nebraska.)

II. WHAT IS THE USE OF THE LEGISLATURE IF THE PEOPLE ARE TO ENACT LAWS?

"The initiative and referendum do not abolish the legislature or the need for one. They are called into action only in emergencies, when the legislature fails to accomplish the will of the people, and usually upon important questions. Since the initiative and referendum were established in Oregon over 98 per cent of the laws have been enacted by the legislature. In other States the percentage is higher than this." (Hon. ROBERT CROSSER, Congressman at large from Ohio and author of the Ohio provision for the initiative and referendum.)

III. THERE WOULD BE TOO MANY ELECTIONS, AND THE COST WOULD BANKRUPT THE STATE.

"Men making this objection are either misinformed or willfully misstating the truth. All initiative and referendum provisions require that questions submitted to the people through popular petition should be voted upon at the regular general elections. Special elections can only be held on questions of immediate moment and magnitude, and then only when especially ordered by the State legislature or by the governor, as may be provided by law. In 11 years the initiative and referendum has cost the people of Oregon but a few cents apiece." (Hon. MOSES E. CLAPP, United States Senator from Minnesota.)

IV. THERE WOULD BE TOO MANY QUESTIONS ON THE BALLOT, AND THE PEOPLE WOULD BECOME CONFUSED.

"In the last three elections, due largely to the failure of the legislature to carry out the will of the people, a relatively large number of questions have been submitted in Oregon through the initiative and referendum. Political experts have been astonished at the ease and intelligence with which the voters dispose of these questions. The citizens of Oregon are not worried, but there seems to be great alarm among eastern newspaper editors lest the minds of our people be overstrained. I fear that the fact that we are voting on vital issues, which certain people would not like to see raised, is what troubles some. The people of Oregon consider that they are as capable of deciding on 30 measures with 4 months' preparation and more as the legislature is on 824 measures in 40 days." (William S. U'Ren, father of the "Oregon system.")

"Up to 1912, 11 States have secured working State-wide initiative and referendum amendments—6 good ones, the others limited or defective. From 1898, to and including 1912 election, there were voted upon in those States a total of 176 initiative and referendum measures, placed on the ballot by petition, as shown by the following table:

[From Bulletin No. 4, issued by the bureau of information of the National Popular Government League. Compiled by Judson King, executive secretary, Washington, D. C.]

Adopted.	State.	Number of measures voted on in election of—						Total.
		1904	1906	1908	1910	1911	1912	
1898	South Dakota[1]			4	6		4	14
1902	Oregon	2	11	15	27		31	86
1905	Nevada[2]			1				1
1906	Montana						5	5
1907	Oklahoma			1	7		4	12
1908	Missouri				2		3	5
1908	Maine				3	1	1	5
1910	Arkansas						7	7
1910	Colorado						26	26
1911	Arizona						9	9
1911	California						6	6
		2	11	21	45	1	96	176

[1] None from 1898 to 1908.
[2] Had referendum only. Amendments and laws submitted by legislature not included.

V. THE SYSTEM IS TOO EXPENSIVE.

"The most expensive government in the world is that managed by a privileged few. The less democratic the more costly—witness Russia or the frightful squandering of the public funds in States controlled by political machines. The referendum is the greatest foe to extravagance in public affairs known—witness the results in Oregon, South Dakota, Montana, and other States. Since measures are ordinarily submitted at general elections the added cost is but slight. If the State adopts the expensive and inefficient system of publishing pending measures in newspapers, this cost will be quite heavy, but if they adopt the Oregon, Arizona, and California plan of sending a pamphlet to the voters the expenses will be but a few thousand dollars for the entire State and the education of the voters by this means is worth a thousand times more than it costs." (Hon. Carl Schurz Vrooman, Assistant Secretary of Agriculture.)

VI. HOW WILL THE PEOPLE BE INFORMED SO AS TO VOTE INTELLIGENTLY ON PENDING QUESTIONS? BY PUBLICITY PAMPHLETS ISSUED BY THE STATE TO EACH CITIZEN.

"The problem of educating voters upon questions submitted under the initiative and referendum has been solved in California by having the secretary of state send to the voters through the mails a little pamphlet containing copies of the proposed laws, a reprint of the ballot title, and also with explanatory arguments for and against each measure. In Oregon the system also includes the right of citizens or organization to present arguments, they paying the exact cost of the space taken. These pamphlets are read and studied by an unexpectedly large proportion of our citizens and who are thereby enabled to vote intelligently. I consider the pamphlet system of great importance, as it is far better and cheaper than newspaper advertising." (Dr. John Randolph Haynes, Los Angeles, father of direct legislation in California.)

VII. IF WE HAVE DIRECT LEGISLATION, THE COLORED PEOPLE AND FOREIGNERS WILL CONTROL THE GOVERNMENT.

"During our campaign for the initiative and referendum in Arkansas in 1910 every conceivable argument calculated to frighten the voters into rejecting these people's rule measures was brought against us by the reactionary few.

"We were told that 'legalized anarchy' would follow its adoption; that there would a 'French Revolution'; that we would 'lapse into barbarism'; and as a crowning absurdity we were warned that with the initiative and referendum 'the State would be controlled by negroes.' My answer to this tirade was, and is now, that this is a white man's country and white men will continue to govern it, and that what the predatory corporations, their lawyers, and politicians feared was the white people's intelligence and not the negro's ignorance. Also that it was foolish to talk about anarchy unless a majority of the people were anarchists, since nothing could be done to which a majority of the voters did not agree and that it was an insult to call the voters anarchists." (Hon. George W. Donaghey, former governor of Arkansas.)

The way to handle that portion of the "foreign vote" which can be purchased, or any other class of purchasable voters, is the enactment of a stringent corrupt-practices act which will put in jail the men who try to bribe them. As a matter of fact, election returns show that the ignorant and careless voters of any class do not vote upon initiative and referendum questions. It requires too much intelligence.

THE DANGER FROM "JOKERS."

To work successfully, initiative and referendum provisions must be drawn with exceeding care. The people of Oregon have accomplished great results, because they have the best system produced to 1912. California and Arizona are also good. The chief "jokers" and so-called "safeguards and restrictions" which destroy the efficiency of the "initiative and referendum" are as follows:

First. To require a large number of signatures to petitions or put hampering restrictions upon the people in securing them.

Second. To insert a clause which permits the legislature to deny the people the right of a referendum on anything the legislature declares to call an "emergency."

Third. To deny the right of referendum upon all appropriations.

Fourth. To deny the right of the people to initiate an amendment to the State constitution.

Fifth. To require a majority of the votes cast for candidates "*in the election*" as necessary to enact measures instead of a majority of the vote cast "*on the question.*"

Sixth. To require pending measures to be advertised only in newspapers. This is frightfully expensive and inadequate. The pamphlet system is the only cheap and effective plan.

WHERE TO GET INFORMATION.

The National Popular Government League, a nonpartisan organization, maintains a bureau of information upon every phase of the initiative, referendum, recall, and other measures designed to place more political power in the hands of the people.

Address Judson King, executive secretary, 1017 the Munsey Building, Washington, D. C.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had, on October 8, approved and signed the following acts:

S. 5798. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, District of Columbia, to Mantorville, Minn.; and

S. 6440. An act to authorize the Chicago, Milwaukee & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn.

CLAIM OF NORWAY (H. DOC. NO. 1172).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read:

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State in relation to a claim presented by the Government of Norway against this Government on account of the action of the authorities of Hudson County, N. J., in holding for their appearance as witnesses in a criminal case in that county, in violation of treaty provisions between the United States and Norway, as the Norwegian Government alleges, three members of the crew of a Norwegian ship called the *Ingrid*, and I recommend that, as an act of grace, and without reference to the question of the liability of the United States, an appropriation be made to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

WOODROW WILSON.

THE WHITE HOUSE, *October 7, 1914.*

Mr. SMITH of Michigan. Mr. President, I understand that the message will be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. It was the impression of the Chair that it should go there before going to the Committee on Appropriations in order to obtain the opinion of the Committee on Foreign Relations, and it will be so referred.

THE COTTON SITUATION IN THE SOUTH.

The VICE PRESIDENT. The morning business is closed.

Mr. BANKHEAD. Mr. President, I gave notice that to-day, immediately after the conclusion of the morning business, I would address the Senate on the subject of the cotton situation in the South. On October 3 I published a letter in the papers of Alabama, which has had very wide circulation. Preliminary to the remarks that I intend to submit I desire to read that letter to the Senate. It is as follows:

"UNITED STATES SENATE,
"*Washington, D. C., October 3, 1914.*

"*To the people of Alabama:*

"As one of the representatives from the South interested in the production of cotton, I feel a deep sense of responsibility in the emergency confronting the cotton-growing section of our country as a result of the sudden European war.

"I have given to the subject my earnest thought and anxious solicitude. I had hoped the recent conference of governors with Members of Congress from the cotton-growing States would work out some feasible plan for handling the situation. It developed that nothing could be agreed upon. The governors insisted upon Federal aid, while the Members of Congress contended that it was impossible to secure legislation by Congress either for the purchase of cotton or for lending money directly to the farmer with the cotton as security. The truth is that if every Senator and Congressman from the cotton-growing States should drop every other subject and give his entire attention to a bill providing that the Government should buy a portion of the

cotton crop at a fixed price or loan money directly to the farmer, secured by the cotton, at a certain price, it would be impossible to secure the passage of such a bill.

"The cotton-growing States have 20 Senators out of 96 and 98 Congressmen out of 435. The people of the other States are interested in the low price of cotton, just as our people are interested in cheaper flour and woolen goods. The producers of many other articles are likewise in distress as a result of the war and are looking about for relief.

"When it is proposed that the Government should buy or lend on cotton the suggestion is promptly made to include copper, tobacco, naval stores, and various things produced by other sections of the country. With the character and volume of opposition to any legislation looking to the special relief of the cotton grower it would be impossible to secure a vote before time to plant the next crop, even if a bill could be framed at all that would command sufficient votes to pass it.

"I feel it to be my duty to the people of Alabama to notify them that their representatives in Washington can secure no legislation looking to the purchase of cotton or lending of money to the farmer on his cotton as security. Certainly no legislation can be secured in time to relieve the present distressing condition.

"I think it would be wicked for me to hold out any false hope to our people. It is the duty of a representative, according to my conception, to deal frankly and candidly with the people. If he realizes he can not secure the relief they desire, he should so advise them, so that they will not build their hopes and make their plans upon a foundation of sand.

"Every Senator and Congressman in Washington who knows anything about the situation and is candid enough to admit it realizes that no law can be passed at this time for the Government to buy cotton or to loan money direct to the farmer.

"I have given careful and serious consideration to all the plans that have been proposed for temporary or permanent relief. I realize that the real trouble is just beginning, and that our people do not yet entirely appreciate the serious situation ahead of them. All who are well informed believe that the war will not soon end. The time for the payment of debts is arriving. The farmer owes the retail merchant. The retail merchant is indebted to the wholesale merchant and the bank. The wholesale merchant owes the bank. The farmer has nothing with which to pay except his cotton, for which there is no market. - doubt if the crop could be sold under present conditions for 6 cents a pound. I am told that eastern spinners are talking of being able to buy their supply at 3 cents a pound.

"This crop was raised at a cost of about 10 cents, and a sale at a less price will result in loss. After the present crop had been grown this great crisis arose without the fault of the farmer, and if he can not get above cost for his cotton he can not pay what he owes the merchant. If he can not pay the merchant, the merchant can not pay the wholesaler or the bank. What is the result? Judgments, executions, sales, sacrifice of property, bankruptcy, and debts unpaid.

"Is there any way to avoid this great calamity? I think there is. I beg to suggest a plan which, in my judgment, will bring relief. I have submitted it to some of the best financiers of the country, who tell me it is feasible, sound, and practicable, and will make an oasis of Alabama in the cotton desert.

"In brief, and without too many details, it is as follows:

"Let the governor call a special session of the legislature at once for consideration of the cotton situation alone. The danger of ruin is so great that no member would dare trifle with the welfare of the people by trying to inject partisan politics into its deliberations. Have the legislature submit to the people in a special session called as quickly as possible an amendment to the constitution authorizing the State to issue bonds in the sum of $40,000,000. The bonds should be issued in denominations of $10, $20, $50, $100, and $1,000. It is estimated that the crop in Alabama for this year will amount to 1,600,000 bales, if it is all gathered. The State should buy one-half of the crop of each Alabama producer at 10 cents a pound. One-half of this crop would be 800,000 bales, which at 10 cents per pound would require an issue of $40,000,000 worth of bonds.

"It is impossible at this time to sell bonds in the open market, so that it will be necessary to pay for the cotton bought by the State with these bonds. The legislature should also provide that they be accepted for all taxes, both State and county.

"If I am asked how the State of Alabama would pay its obligations to the citizens, the answer is that the patriotic people of Alabama would accept these notes of the State for all demands. School-teachers, the old soldiers, officeholders, and any class would be glad to accept them, because they can pay and discharge their obligations with them. Of course all the taxes in Alabama would not be paid with these notes or bonds. Abundant currency would be available to pay the interest on the State bonds or other obligations required to be paid in currency."

And I allude to the bonded indebtedness of Alabama heretofore issued.

"It should also provide a warehouse system or authorize the counties to establish warehouses under such rules and regulations as the legislature may in its wisdom prescribe.

"Under the proposed plan a farmer would take his cotton to the warehouse and secure a warrant. He would then take his warehouse warrant to the probate judge, or some other agent designated by the State, and get bonds for his cotton at 10 cents per pound."

Or, rather, he would get the State's notes for the cotton.

"The question will be asked. What will the farmer do with the bonds? His merchant will accept them in payments of debts or for the sale of merchandise. The banks will accept the bonds in payment of notes and mortgages. Is there a merchant or banker who would not prefer to have a State bond with the State's credit behind it and secured by cotton deposited in bonded warehouses than a debt against a man who had no means of paying it? It may be asked, How will the merchant pay his debts with these bonds? The answer is, The bank will accept them in payment of notes and mortgages. The national banks can send them to Washington and get 90 per cent in currency on them, and when the State is ready to redeem them will get the other 10 per cent.

"The small bonds or State cotton warrants in denominations of $10, $20, and $50 should not bear any interest. They will readily pass from hand to hand so that one $10 warrant may pay hundreds of dollars of debts, and one $50 warrant may pay thousands of dollars of debts under this process of liquidation. They would find their way into the hands of the bank, who would surrender them to the State for retirement and receive in lieu thereof Alabama State cotton bonds bearing 4 per cent interest. Under the provisions of the Aldrich-Vreeland Act or the regional bank act banks could send them to the Treasury at Washington and obtain 90 per cent in currency, which would enter into circulation in the same community in which the cotton warrant had been circulated.

"The State cotton bonds should be payable on or before three years from issue, with interest payable annually. This interest should be provided for by the levy of a tax of $1 or more per bale, according to the discretion of the legislature, on that portion of the present crop sold to the State, and the levy of a tax of 50 cents a bale, if that amount appeared to be necessary, on the next year's crop, and 25 cents an acre on all land planted in cotton next year. This should be continued until the cotton purchased by the State is disposed of.

"It is estimated that 4,000,000 acres were planted in cotton this year in Alabama. If the present situation, aided by the tax, should reduce the acreage and crop next year by one-third, the State would have, with which to pay interest and carrying charges, when the first year's interest falls due, the following funds:

Interest on $40,000,000 of bonds, at 4 per cent	$1,600,000
Tax on cotton bought by the State	800,000
Tax on 1915 crop	500,000
Tax on 1915 acreage	666,666
Total	1,966,666
Interest to be paid	1,600,000
Balance in favor of State	366,666

"The interest on this bond issue, if all of them should bear interest, would be $1,600,000; but as denominations of $10, $20, and $50, designated as State cotton warrants, do not bear interest, the amount estimated for interest will be largely in excess of the sum required. These State cotton warrants of small denominations, when they have performed their function and found their way into the banks and the banker has accumulated $1,000 or more of them, would be sent to the treasury at Montgomery in exchange for Alabama State cotton bonds bearing interest at 4 per cent. This being true, it will be observed that the amount estimated for interest and carrying charges will also be largely in excess of requirements."

There is where the interest charge begins. When these small notes that have been circulated, having performed the functions of a circulating medium, have discharged their duty and have found their way into the banks, then they will in turn be sent to the State treasury at Montgomery and exchanged for State cotton interest-bearing notes.

"The legislature could direct that this balance in favor of the State should be used to defray operating expenses and other

necessary charges connected with the inauguration and management of the plan. Therefore the State would not be required to contribute a dollar to the expense, but the cost would be borne by those who profit and are benefited by it.

"This money should be kept separate and used for no other purpose than paying the interest on the bonds. Should a surplus be left after the transaction is closed, it should be turned over to the agricultural department of the State for promoting diversification of crops or returned to the farmer who paid it.

"In view of the fact that no cotton will be bought by the State, after the 800,000 bales have been purchased out of the present crop, it will be necessary, in order to make up for the loss of $800,000 collected the first year to increase the amount of tax on cotton and acreage for 1916 with which to pay the interest on the bonds.

"State bonds, secured by actual cotton and provided with an interest and carrying fund of that kind, would be as good security as can be found in the world.

"The bonds would pass at their face value and be accepted as money in payment of all obligations.

"Before they are due the price of cotton, by reason of settling conditions and acreage reduction, will certainly reach a point where the State can dispose of the cotton held by it at cost, and possibly at large profit, and retire the bonds without loss to the State.

"I do not believe that it would be necessary for the State to buy half the crop. The consumption of cotton goods must go on even if the war continues. Just as soon as the people of other Southern States see how relief has been secured by the people of Alabama they will demand similar action. Nothing can stop it.

"I am reliably informed that the surplus above the present needs of operating mills is not over 3,000,000 bales. So long as that surplus is on the market buyers will name their own prices. Notice that 800,000 bales will be taken off the market in Alabama and that other cotton States are likely to adopt a similar plan, and also reduce acreage, will be a great warning to the spinners that they had better get busy. If other States follow our example, there will be a rush for cotton, and the remainder of the crop will be sold at a profit to the grower.

"We are confronted with a situation fraught with disastrous consequences to the people of the South unless some heroic measure is resorted to. This is no time for quibbling or abstract discussion of paternalism and other such doctrines of government. While we are not actually at war, we have all the business consequences of war. The farmer can not handle the situation. There are too many of them and they are too far separated to bring about any effective organization to meet the situation on such short notice.

"It is the duty of the State government, for the support of which taxes have been paid with such regularity, to step into the breach and work out a plan and lend its credit until this perilous period has passed. Under the plan it can do so without impairing its credit and without the loss ultimately of a dollar.

"Why hesitate about adopting it? If the newspapers will advocate it, and every farmer and business man who wants relief according to the plan suggested will make his wishes known by writing a letter or post card to the governor at once, I have no doubt but that Gov. O'Neal, who is deeply concerned over the situation, will promptly call the legislature together to submit a constitutional amendment to the vote of the people and pass necessary laws for carrying out the details of the plan. No time should be wasted. If prompt action is taken, the State can be ready before January 1 to begin the purchase of cotton.

"The tax on cotton and acreage will be a very small item to each farmer compared with that of selling his cotton at 6 or 7 cents, and possibly 5 cents, as now appears to be the intention of the spinners.

"This plan is offered with a positive conviction that it will afford relief to the people of Alabama. Let us lead the way for our sister States. We hope they will follow our example. I believe many of them will, but if they do not, we will be the one Southern State whose farmers will not have been ruined by the war in Europe.

"I urge the calling of citizens' mass meetings and of farmers' union locals in all parts of the State without delay to make known the wishes of the people on this subject, at which time resolutions should be adopted and forwarded to Gov. O'Neal.

"I request that some citizen in every town and community call a meeting at once. It is necessary that some one take the lead. If no one else will, do it yourself. It is time for action.

"Faithfully, yours,

"J. H. BANKHEAD."

Mr. President, the letter which I have just read, I will say, as a premise to some remarks which I now intend to make, has had a very large circulation in Alabama, and already a number of counties, cities, and towns have held meetings and adopted resolutions urging the governor of the State to take some action.

Mr. President, I realize that the Senate is not the place where great interest is found in statistics. However, at this period of national and international business distress I venture to submit to the attention of the Senate a very brief statistical statement about cotton.

Cotton was not grown as a staple previous to the year 1770, and during that year the shipment of American cotton to Liverpool is recorded as follows: Ten bales from Charleston, 3 bales from New York, 4 bags from Virginia, and 3 barrels from North Carolina, but a search of the records shows that exports of cotton from 1791 to 1914, inclusive, amounted to over 304,000,000 bales, but I have been unable to find any estimate of the total value of this amount of cotton exported. However, exports from 1850 to 1914, inclusive, were more than 276,000,000 bales, with a value of nearly $15,000,000,000.

The production of cotton in the South for the year 1913 amounted to nearly 14,000,000 bales, with a value, including the seed, of over a billion dollars. The production for the year 1913 in my own State of Alabama was nearly one and a half million bales, with a value, including the seed, of over $100,000,000.

The value of exported cotton during the year 1912 exceeded a half billion dollars, and constituted more than one-fourth of the total value of all articles of domestic merchandise exported during that year, and exceeded in value the exports of iron and steel manufacture, meat and dairy products, and breadstuffs combined. Again, in 1913, approximately 9,000,000 bales of cotton were exported, with a value in excess of $500,000,000, and only a little less than one-fourth of the total value of all articles of domestic merchandise exported that year.

As an illustration of the effect of the European war on the international trade of this country, as measured by our cotton exports, it is a remarkable fact that during the month of August, 1914, for the first time since the Civil War, our cotton exports dropped to 21,210 bales, and, what is still more remarkable, we imported 27,087 bales during that period. Due to the war in Europe, exports of cotton during the month of August were practically suspended; and due to the war in Mexico, imports of cotton from that country increased. During September of this year the amount of cotton exported was a little in excess of 100,000 bales, while during the month of September, 1913, they amounted to a little less than 1,000,000 bales.

These figures, I trust, will indicate the importance of cotton in the economic affairs not only of this Nation but of the world, and they will, I trust, convey to the Senate an idea of the appalling business conditions that now exist in the Southern States.

Had it not been for the great decline in the sale of our cotton crop abroad, the necessity for a $100,000,000 gold pool to protect our foreign debts would have never arisen. The cotton crop has always held the balance of trade in our favor. During the month of September, when the necessity for this pool arose, cotton exports were only about 100,000 bales, as against 1,000,000 bales during the same period last year.

To save the farmers of the South and the business interests of the entire country from the disaster confronting them by the suspension of the world's cotton market is a most serious and perplexing question, to which statesmen and financiers are giving their earnest attention and solicitude.

Different plans have been discussed, but no comprehensive one has been offered or accepted, broad and safe enough to meet the situation.

Of all the plans that have come to my attention none is more pathetic than that of the Alabama farmer who sought relief, as expressed in a letter to his bank, which, omitting names, is as follows:

——— ———, ALA., *September 14, 1914.*

——— ——— BANK, ———, *Ala.*

GENTS: I have heerd that ferrein countries in Europe are issueing merrytoriums, so that the peope can put off paying there detts a while. Now, I have 18 bales of cotton and owe detts amounting to about $600. I can't sell my cotton for enuff to pay out and leave anything to pay taxes and live on next year. If they are selling merrytoriums in N. Y., I wisht you would see what it will cost to buy me one for the amount of my detts good for 6 mos.

Yours, truly, ——— ———.

I read this letter because it is a pathetic example of the distress of the southern farmer at this time.

Mr. President, it will be observed there is nothing new or novel in the plan suggested. It is no more than what has been done by the great banking institutions of the country when a

panic, business stagnation, or a great disturbance in the money market is threatened. They promptly close the doors of their vaults, cease to pay their obligations in currency, and issue clearing-house certificates, which are nothing more than a mere promise to pay after the financial clouds have lifted. In this way the banks have oftentimes saved themselves and the business interests of the country from disaster and bankruptcy. No one can point to a single instance where the holder of a clearing-house certificate has ever lost a dollar. The security behind a certificate of this character can be no better or safer than the bond of the State secured by cotton in its possession, properly stored and insured.

In my own State, in 1887, when an overproduction of pig iron depressed prices to a point below the cost of manufacture, the Alabama pig-iron producers, together with other producers in this country, realized that the sale of iron at $6 per ton at the Alabama furnaces would soon lead to bankruptcy, and they formed what was known as the American Pig Iron Warrant Association, and established at or near their furnaces pig-iron warrant yards. In these yards I have seen what appeared to be acres of pig iron, upon which warrants were issued by the association at a fixed price per ton. These warrants were used in paying the obligations of the producers, were pledged with the banks, and, in fact, were finally listed on the New York Stock Exchange, and were the subject of daily quotations, the same as any other stock-exchange security. By this simple practical and efficient method the iron manufacturers of my State saved themselves from business bankruptcy and were able to continue operations, giving employment to labor and contributing generally to the business welfare of the community in which they were located instead of bringing disaster upon the locality by being forced to shut down. To-day the same condition exists in Alabama, except the commodity is cotton instead of pig iron; and the application of the same method and common-sense business principles which saved the pig-iron manufacturers in 1887, if adopted by the people of that State, will solve the present situation and protect the Alabama farmer from ruin and disaster.

Again in 1893, when Birmingham was younger and not so strong as she is to-day, her banks, which were not as great and strong as they are now, found themselves unable to pay their depositors and confronted with the necessity of closing their doors, without hesitation, declared they would issue clearing-house certificates, with which the daily business transactions of the community would be conducted and settled. The result was that this clearing-house script circulated as money, and the merchants finally offered a premium of 5 per cent for it in the payment of their merchandise sales. The plan saved the banks of Birmingham from failure and its merchants and the people from business disaster, just as the pig-iron warrants saved the iron men of Alabama and their creditors from business ruin and bankruptcy.

With such successful precedents of business salvation, should the people of Alabama or, indeed, the people of any other Southern State hesitate to proceed with the plan I have proposed, which is sounder, safer, and stronger, and thereby save themselves, or will they falter and hesitate and ultimately be forced to sell their cotton at 5, 6, or 7 cents per pound, and leave their debts unpaid and their business system bankrupted?

Briefly permit me to describe the operation of the plan proposed. In doing so it will perhaps be necessary to reiterate some things said in the letter, which I have just read. When the Legislature of Alabama has duly authorized and put into effect the plan suggested, the farmer will carry his cotton to the warehouse, conducted and administered by State authorities, and receive a cotton-warehouse warrant, and pay a dollar a bale bond interest tax. This warrant he will present to some duly authorized agent of the State, for which he will receive State notes or bonds in denominations of $10, $20, and $50. These bonds of small denominations should not bear any interest, for the simple reason that bearing no interest they will seek retirement through the substitution of interest-bearing Alabama State cotton bonds. The farmer will pay the merchant with these warrants of small denomination, the merchant will pay the wholesaler or the jobber, and the wholesaler will pay the bank. The banker, when he has accumulated say $5,000 of these small State notes or bonds, will send them to the proper State authority and receive in lieu thereof Alabama State cotton bonds in denominations of $1,000 or multiples thereof, bearing 4 per cent interest, which he would forward through the proper channels to the Treasury in Washington and receive $4,500, or 90 per cent of the total amount in United States currency, issued under the provision of the Aldrich-Vreeland Act, or through the Federal Reserve Board. Congress has therefore provided all the necessary currency aid that is required, under the plan proposed, to transfer Alabama cotton into the same currency that the Treasury is issuing to the national banks of the country at the present time.

Some Senator may ask if there is a precedent for such action. I frankly answer there is none. Neither can any Senator cite me to conditions similar to that now existing as it relates to the cotton crop of the South. When an emergency arises we are justified in establishing precedents, and such an emergency now confronts us.

I would resent any suggestion that the bonds issued under this plan would not be a safe investment, because the interest is to be paid with the bale tax and the acre tax assessed upon and collected from the farmers of Alabama, and their cotton purchased by the State and stored in its own warehouses will be amply sufficient to pay the principal. To say that this cotton will not have a value sufficient to pay the principal is to say that millions of dollars of notes coming from the national banks of the South and pledged with the Secretary of the Treasury, upon which currency under the Aldrich-Vreeland law is being issued, is not sufficient security. It is equivalent to saying that the world must discontinue the purchase of cotton. It is as great and important a factor in the world's commerce as foodstuffs. To say that the bonds proposed are not a safe and sound investment is to declare that millions of dollars of notes held by New York and other banks in this country, upon which the present crop was financed, planted, and grown, are insecure and a dangerous investment. On the cotton crop of the South its banking credit and nearly all other credit is based. No other single commodity on earth commands greater confidence and credit and is such a debt payer as cotton. The South clothes the world and partly feeds it. England itself will recover more quickly from the ravages and devastation of their present war than she would from a permanent failure in the supply of cotton she annually obtains from the Southern States. From the ruin and desolation of our own Civil War the South has recovered its present wealth and prosperity because cotton has made her rich.

Mr. President, because of the suffering and distress now threatening the farmers of the South my sympathies may be stronger than some of those in my hearing. I am a farmer myself; was raised on my father's cotton farm in Lamar County, Ala. I have planted cotton, cultivated it, and gathered and marketed it, and I confess to the Senate that my sympathies, my feelings, and my solicitude for the farmers in Alabama have not been so aroused since the time I returned to my home at the close of the Civil War and witnessed the devastation and ruin that had been visited upon the people of my State. I feel that the present emergency and the threatened disaster confronting the people of Alabama demands that I should leave nothing undone that I am able to do in assisting them in this hour of disaster.

The buy-a-bale movement at 10 cents per pound was well conceived and founded upon a laudable sentiment. Many thousand bales of cotton will find a market through its operation; but it is only a drop in the great ocean of distressed cotton. Many patriotic men and women have resolved to wear only fabrics made of cotton; but this attempted relief only tends to emphasize the real situation.

It will not do to say that only the cotton producers are interested in an attempt to solve the problem confronting them. It may be sectional in its application, but it is universal in its result. The whole of the United States is intensely interested and immediately connected with the conditions confronting the cotton growers of the South. The cotton crop is the largest and most important factor in the commercial life of the Nation. It is by the sale of cotton in foreign markets that trade balances have been largely in our favor.

The situation is a desperate one, though I do not despair. I believe that the common sense of the people of Alabama and of the cotton-growing States will teach them they must rely upon their own efforts, aided by the States.

Mr. President, I can not feel it in my heart to say that the war in Europe will prove a blessing to the United States. I do say, however, that in my opinion it will result in great benefit financially and commercially. I believe at the end of the war the United States will be the financial center of the world and that our agricultural and manufactured products will be in demand to supply the pressing needs of every civilized Government on the globe. It must be true, since imports from foreign countries under existing conditions will be greatly reduced, and it must follow also that our exports will be largely increased. If we do not exchange commodities with them, they must pay their balance to us in gold; and as a result the United States will become the richest and most prosperous country in the world. It is what we sell that makes us rich. What we consume at

home adds nothing to our national wealth, does not increase the bank account, or pay off the mortgage. It simply contributes to our comfort and happiness.

The Government of the United States has made ample provision by which abundant currency may be obtained in the handling of our products, and a danger, Mr. President, may lurk in this abundant and easy currency. It may induce undue inflation and speculation, which in the end, when settlement day arrives, will prove to be an evil rather than a benefit. However, we must trust all this to the future good sense and judgment of our people. It is folly to talk about scarcity of money to meet every demand of business. This morning's statement of circulation shows the amount to be $3,402,422,570, or $37 per capita, an increase of $20,000,000 over September 1 of this year. To that amount may be easily added $1,000,000,000, or $10 per capita, under the provision of the regional-bank act and the Aldrich-Vreeland bill. Will anyone say that this vast sum is not entirely sufficient to meet every demand that will be made upon it, when we realize that the circulation may be increased approximately to $5,000,000,000, approaching a per capita circulation of $50? We understand that the amount of currency has very little connection with the present distressed conditions prevailing in certain sections of the country. The surplus of any product fixes the price of the whole. If there is a surplus of cotton, in other words, if more cotton is produced than the trade will take at a reasonable price, the surplus must first be disposed of before normal conditions can be restored. The size of the crop is not responsible for the existing conditions in the South. If the world's condition were normal, the price of cotton would be normal. The large consumers of raw cotton have practically ceased to buy. They are working up the stock on hand, and the manufactured product is being rapidly exhausted. This must result in the entire consumption of the raw and manufactured product, so that in a short time Europe will be entirely bare of cotton and cotton goods.

The war in Europe, in which nine distinct Governments are engaged, with 10,000,000 men on the firing line, nearly all of whom have been taken from productive pursuits, can not continue, but if it should be long drawn out these immense armies must be fed and clothed. Their fields will be barren from a lack of seeding and cultivation. Their men and boys have gone to the front. Their women and children can not feed and clothe this vast horde of nonproducers, whose demands are more in war than in peace, because of the unavoidable waste. If this terrific struggle, the most destructive of life and property the world has ever known, continues for six months, their supply of food and clothing will have been exhausted. Where is the only storehouse? There is but one answer—the United States. Foodstuffs will be in great demand, and at higher prices than ever before in our history. Every part of the country having for sale food, horses, and mules, and other things necessary in war, will reap the richest harvest they have ever enjoyed. What I have said of other agricultural products is true as to cotton. If the cotton States will impound or retire one-third or one-half of the present crop under the plan I have suggested, the problem will be solved, and their present distress relieved.

I call the attention of the Senator from Texas especially to this statement:

I am not unmindful of the fact that one or more of the cotton-growing States can not amend their constitutions within time to secure the benefit of the plan proposed. In that case there is no reason why the legislature should not, in a special session, authorize the counties to proceed under the same method proposed for the States. It might be true that county bonds would not circulate as freely as those of the State, but they would be based upon the same character of security, and would pay debts and cancel mortgages and crop liens in the county of issue and in adjoining counties with the same effect as the bonds of the State.

Mr. President, there is already a rift in the clouds Conditions generally are improving. Our exports of all products except cotton are rapidly increasing. The exports from New York for the week ending September 26 were $4,000,000 in excess of the exports for the same period last year. Exports for the seven days ending August 22 were only $8,000,000. Therefore we see that during the period from August 22 to September 26 exports from New York almost trebled. War-stricken Europe must be clothed and fed. Men and women may go hungry; they can not go unclad. Cotton is the chief product from which the clothing of the world is made, and the South is the chief producer. The time is near when the cotton crop must move. If it is not to be manufactured in Europe, it must be manufactured by our own mills. I confidently believe that every spindle and loom in the United States will be running double time within six months and that there will be a demand for a very large portion of the cotton crop. We can consume 10,000,000 bales if there is a demand for the product of our mills.

All that is necessary to restore normal conditions is the exercise of courage and the adoption of some such plan as I have outlined. I regard the man who urges the South to plant no cotton at all next year as its worst enemy. A crop equal to two-thirds of the present one would make an average for the two years of 12,500,000 bales, which would be 3,000,000 bales below the world's normal consumption. Can you realize what would happen when spinners are face to face with the proposition that they need 3,000,000 bales more than is in existence to meet their demands? If the cotton growers of the South will limit the acreage to an amount that may be reasonably expected to yield 10,000,000 bales next year, thereby making an average of 12,500,000 bales for the two years, there will be such a scramble for cotton that a runaway price will be the result. The consumption of cotton for 1917 will be more than ever in the history of the world. Shortage in manufacture during the war period must be overcome after peace is restored, so that we need have no fears for a long continuation of present distressing conditions. If the State of Alabama should adopt the plan suggested, we would only ask that the Government engrave our bonds at the cost to the State. We would ask this because, with its facilities at the Bureau of Engraving and Printing, it can do the work more expeditiously than any private printing concern. This small favor is all we would ask of the Government, realizing it has done all it can do when it has provided such ample and easy means for obtaining currency with which to transact the business contemplated by the plan proposed.

As soon as the process of impounding begins the scramble for cotton will also begin. Spinners at home and abroad will realize they have been hoisted on their own petard; they will realize they have been caught in a trap from which there is no escape except to buy cotton at or above 10 cents. The way is easy, the reward is rich. Why not do it, and restore confidence, and bring not only to the South but to the whole country—for we are one and inseparable—continued happiness and prosperity?

Mr. President, the Post yesterday morning carried the following headlines: "Favors cotton loan—Reserve Board may approve western plan this week." In St. Louis it is proposed to raise a fund of $150,000,000 with which to relieve the conditions in the cotton market. The plan is not set out in detail, but I presume the organization of this pool will undertake to relieve the situation by distribution of this amount of money to the banks throughout the cotton-growing States. I do not know whether they intend to loan this money directly to the farmer or not. If so, at what interest, and what price will be fixed on cotton? Or do they intend to buy outright the amount of cotton required to consume the pool? Either plan, Mr. President, will be a failure. We do not need more money with which to handle or finance the crop. We have a half billion dollars more currency now than last year, and a more valuable crop was easier financed. It is not money we need, it is a market. We have the cotton, nobody will buy it, and until a market is restored there can be no relief. Unless a considerable portion of the crop is bought or retired for the present, the whole crop will be sacrificed and the producer bankrupted.

There is a most magnificent wheat crop in the West. If every market that consumes bread should be suddenly closed, how would it affect the value of wheat? Where would the market be found? Who would want wheat if there was nobody to consume it? It would result in financial paralysis in the wheat-growing States. The cotton States are in a similar condition. The channel through which the cotton passes to the consumer is closed. No one will buy the raw material, consequently the market has collapsed. We may talk until our voices fail us about financing the cotton crop, but there are only two ways to relieve the situation; that is, for the Government of the United States to step in with its unlimited resources and do it or the State to take the initiative and do it. The Government of the United States will not do it, therefore the States must do it.

Mr. President, the miner does not attempt to circulate his gold dust and with it pay his obligations. He can not coin it, the law forbids. A way has been provided by which he may deposit his gold with the authorized agent of the Government and receive in return Government notes to the par value of the gold deposited. The cotton grower has the gold—"cotton." He can not circulate it in payment of his obligations, but he can deposit it with the authorized agent of the State of Alabama and receive the State's note equal to its par value, and these notes will circulate and pay his obligations. The greenback is based upon the tangible and intangible property of the United States—the credit of the Government—and this only is pledged

for its redemption. These State notes are to be based on cotton, the equal of gold, pledged for the redemption of the notes.

Mr. President, this is not the character of the inflation that is dangerous; it can only be temporary. The plan provides for a speedy retirement when it has performed the function intended. These notes will speedily find their way into the banks when the conditions now obtaining shall have passed away. The ordinary circulating medium of the country will come out and supply their place. These small notes will not bear interest. The banks naturally will return them to the State treasury and receive for them a State cotton bond bearing 4 per cent interest. By this process this emergency currency—the State's note—will be retired perhaps within 12 months. Gold is the standard money of the world. Cotton is one of the standard staples. The world might find a substitute for gold; no one would venture to suggest a substitute for cotton.

Mr. President, the cotton producer is stranded in the middle of a financial ocean. There is no land in sight. They are starving and dying from thirst, and not a drop of water to be had. They have hoped and prayed that they might be rescued. They have hoped so long that hope deferred has made them heart sick. They have almost despaired. The man on watch thinks he sees a sail. He looks again; his heart beats faster; it is a sail. He tells his despairing comrades that a ship is in sight. The hull of the ship can be seen. The watchman waves the flag of distress. The captain on the bridge sees the tiny signal and speeds in that direction. The ship draws nearer and nearer. Soon she reaches the wreck, a lifeboat is lowered, and the wrecked cotton producer is taken on board, and the good ship hoists her sails of cotton and lands her passengers at a friendly port. The news of the rescue is carried to the dear ones on the farm, and they offer a fervent prayer for a long life and happiness for the captain and the crew who rescued the cotton producers from their perilous situation.

Now, Mr. President, I have said all I care to say on this subject. I want to repeat that there is nothing novel about it. It is just such a remedy as has been applied in all times of stress for years and years past. It is simply a proposition that the farmer of Alabama or other cotton State may deposit his cotton, which has a market the world over when conditions are normal, and receive notes with which he may discharge his present obligations and pay his debts and save himself from bankruptcy.

Now, what objection can there be to that? If the State of Alabama and the other Southern States want to employ means like this for their own benefit and for the salvation of their own people, who can object to it?

Mr. President, I believe that if the governors of the Southern States should issue a proclamation to-morrow convening their legislatures and send them a vigorous message, describing the conditions and recommend that legislation of this character be passed, cotton would immediately advance to 10 cents a pound. As soon as the consumers of cotton are made to understand that the surplus of cotton is to be taken out of the market and that they must depend alone upon that which is left for disposition, there will be a scramble for it. There is no question in my mind about that.

I do not know that I can say now how many of the States would be able to take advantage of this situation immediately. I do not believe that there will be any necessity, really, 15 days from now if the State governments would all act promptly and vigorously in this matter; and if they would say to the consumers of cotton, "If you want cotton at 10 cents a pound, you must get it now," it would have the desired effect.

Mr. GRONNA. Mr. President, I wish to ask the Senator from Alabama a question.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Alabama yield to the Senator from North Dakota?

Mr. BANKHEAD. I do.

Mr. GRONNA. I have been much interested in the able speech made by the distinguished Senator from Alabama, and it is possible that the suggestions he has made are practical, but I want to ask the Senator this question: Is it not possible that the Federal Government could be of some help to the cotton growers, provided we enacted a proper rural-credit law?

Mr. BANKHEAD. Mr. President, I think the Federal Government, with its great resources, might be of great benefit to the growers of cotton, but the question is, Can the Government do it before it is too late?

Mr. GRONNA. I wish to call the Senator's attention to the fact that in the Democratic platform adopted at Baltimore the Democratic Party promised to enact rural-credit legislation, and they called attention to the fact that it was of equal importance with banking reform.

If the Senator from Alabama will permit me further, I believe the mere fact of the Federal Government enacting a law permitting the farmers to organize would be of immense value to the farmers. I recognize the fact that the cotton growers of the South, the same as the wheat growers of the West, are unorganized, and if there are any people on earth who need aid it is those people. I do not mean contributions, but I mean that they should be permitted to organize under certain specific laws, the same as men engaged in other industries are permitted to organize.

For that reason, I wanted to call the Senator's attention to the fact that we have pending before us now in the Senate and in the House rural-credit bills, but I understand such legislation is to be postponed, and not to be enacted at this session of Congress.

Mr. BANKHEAD. Mr. President, I have no doubt in the world but that the bill referred to by the Senator from North Dakota will remain in the committee when this crisis is passed.

I wish to repeat what I said before. It is not currency we need. We have all the currency at our command that is necessary for all purposes. It is not credit we need. We have all the credit that we can use. Mr. President, it is a market that we want. We have the cotton to sell, but who will buy it? There is our trouble. What we seek to do, sir, is to retire a sufficient amount of that crop, supposed to be the surplus over the present demand, until conditions are normal, until a price is fixed and the consumption of cotton the world over becomes normal. That is all we seek, and that is all we need. We do not need any more money. We have all the world can use.

I notice this morning that a pool is to be established of $150,000,000 to relieve the situation in the South. That is a speculative proposition. It will not have any effect whatever on the conditions. They will loan money out, $30 a bale, at 6 or 8 cents a pound, and that cotton still is on the market for sale. It will not take it out of the surplus and impound it for a year.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from North Dakota?

Mr. BANKHEAD. I do.

Mr. GRONNA. I agree with the Senator from Alabama that we do not need any more currency, but the rural-credit legislation proposed does not seek to issue more currency. I call the Senator's attention to the fact that in Europe, where they have a rural-credit system—and it has been in vogue in some of those countries for nearly 150 years—these agricultural bonds sell at a premium above Government bonds. I do not happen to have the statistics here, but I make that statement.

Mr. BANKHEAD. That may be true. These bonds may sell at a premium, and doubtless they will sell in this country at a premium, but that does not relieve the situation. That does not take a single bale of cotton out of the market, and that is what we want to do; that is all.

Mr. GRONNA. That is true; but I believe that we can help the southern cotton grower by the enactment of a proper rural-credit system.

Mr. BANKHEAD. I believe that is true, Mr. President, next year or the year after or some future time, but it can not meet the present condition. We want something done now. The cotton farmer has been stricken with a desperate case of acute indigestion. He wants present relief. It is too much cotton. There is plenty of money everywhere, but there is no market for the cotton. That is our trouble. Let us take the surplus off the market and you will see what will happen.

Mr. SHEPPARD obtained the floor.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. The Chair has recognized the junior Senator from Texas.

Mr. SHEPPARD. I yield to the Senator from Florida.

Mr. FLETCHER. I wish to make one suggestion with reference to the subject of rural credits. I think the Senator from North Dakota is pretty sound on that proposition. If we had succeeded in establishing a system of rural credits, this condition would have been very materially different, in my judgment. The trouble now is that we are unable to secure that sort of a system, or the establishment of that system, in time to relieve this emergency. It is not, in my judgment, going to be lasting, but it is acute at present, undoubtedly.

Mr. GRONNA. The Senator just stated, if I did not misunderstand him, that we are unable to secure a rural-credit system. I should like to know why we are unable to secure it.

Mr. FLETCHER. I say we are unable to secure it immediately—while cotton is now moving. You can not establish that system within a few days or a few weeks. It will take some little time in order to have the various suggestions which

are embraced in various bills that are now before the Banking and Currency Committees of the two Houses thrashed out and enacted into law, and after they are enacted it will take some time to get the system into operation. It will not take a great while, but some time. I believe that is going to be done, and I believe it would have been much better if it had been done long before now. If it had been done, I am quite sure there would not have been this trouble and interruption and distress brought on by the sudden world-wide war.

Mr. GRONNA. If the Senator will permit me, why does it require more time to pass legislation that the farmers are interested in than to pass relief measures where the financial interests are interested? In this connection I wish to read from the platform of the Senator's own party.

Mr. BANKHEAD. That is familiar to everybody.

Mr. GRONNA (reading):

RURAL CREDITS.

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance.

The Senator from Florida knows, because he has been very active in that work, that that investigation has been made. The Senator was chairman and is now chairman of that commission. I had the honor of introducing resolution No. 75 in this body more than two years ago, which provided for a small appropriation for an investigation in European countries of the system of rural credits. It was defeated many times on this floor, but finally it was passed. It was defeated by the Agricultural Committee of the House, and it was not until this plank in the Democratic platform was adopted at Baltimore that I was able to secure favorable action on that resolution. It was finally put into the Agricultural appropriation bill and it became a law.

Now, I want to know why it takes more time to enact remedial legislation which is so necessary for the welfare of the farmers than it does to enact laws beneficial to business institutions? The cotton grower of the South grows cotton, which has become a necessity, and we can no more get along without cotton than we can get along without bread. I want to know why when we have been in session for a year and a half it has been impossible for us to pass some legislation that will be of substantial benefit to the cotton growers of the South and to the farmers all over this country.

Mr. FLETCHER. Mr. President, in reference to the provision in the Democratic platform, I will say I am quite familiar with it and I had some little part even in preparing it and submitting it to the committee. I also know there is a provision quite as strong, if my recollection is right, in the platforms of the Republican Party and the Progressive Party. So that all political parties stand committed to the establishment of a proper rural-credit system in this country. There is no question about that.

The Senator from North Dakota has been diligent in proposing steps in this direction, and his resolution took somewhat the course of an amendment to the Agricultural appropriation bill, creating a commission on rural credits to cooperate with the American commission assembled under the auspices of the Southern Commercial Congress, of which I happened to be president; and of course I am familiar with their activities. The Senator will recall, undoubtedly, that an actual study of the various systems in European countries was made by the commission, and that work is covered in Senate Document No. 214, said to be the most authentic and complete and reliable collection of data and information on that great question in print anywhere in the world.

I will also call the Senator's attention to Senate Document No. 380, which embraces the report of the United States commission to this body. The commission is still in existence and will have some further report to make.

Not only that, but the bill has been submitted, as I said, to the Committee on Banking and Currency of both the House and Senate, and they have appointed subcommittees on rural credits, which gave hearings and made a study of the various bills which had been introduced and of the whole question, and recently they have reported a bill, which has been referred to the Committee on Banking and Currency. As soon as those committees can take up the matter, undoubtedly they will make a report.

But I will say to the Senator that while I am just as impatient as he can possibly be in this matter, and I realize the great importance of it to our agricultural interests, and therefore to the whole country, I also recognize that it is a question about which there is some difference of opinion as to the exact details, some lines of view leading in the direction of direct Government aid, while, on the other hand, there is a contention that such a thing is not to be thought of. Therefore it will take a little time to adjust these differences so that we may present a measure, as I believe eventually will be done, which will meet the indorsement of the best thought and research on this question.

Mr. GRONNA. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield further?

Mr. FLETCHER. I am taking up the time of the Senator from Texas [Mr. SHEPPARD].

Mr. SHEPPARD. I yield to the Senator from North Dakota.

Mr. GRONNA. I do not wish to be understood as criticizing the Senator from Florida nor the Senator from Alabama. I know that both Senators would be among the very first to help the people in the agricultural States, and that they would do what they could in order to give them relief. But I should like to know why, with the forces that put bills through this body and the other body, we can not get the same forces behind these rural-credit bills, which are of such great importance to the welfare of the agricultural districts. What I should like to know is why it is impossible to get these bills up for consideration and give them the study and discussion that they deserve. I certainly do not wish to criticize the Senator from Florida, because he has been diligent, I know, and has done everything that it is possible for a human being to do in order to have bills of this kind or some law of this kind go into effect.

Mr. FLETCHER. If the Senator will refer to the President's address of last December, he will see that his stand in this matter is pronounced and clear and distinct.

Mr. SHEPPARD. Mr. President, I have listened with much interest to the discussion of the cotton situation by the Senator from Alabama [Mr. BANKHEAD]. He has outlined a plan of State action in the present crisis. I deem it proper to say that a short time ago the southern Representatives and Senators in Congress, alarmed and aroused by the perilous condition of the cotton crop, invited the governors of the Southern States to meet them here for a conference. The governors of six States attended in person, namely, Cruce, of Oklahoma; Hall, of Louisiana; O'Neal, of Alabama; Slaton, of Georgia; Stuart, of Virginia; Trammell, of Florida; and the governors of five other Southern States had representatives, Gov. Hooper, of Tennessee, being represented by Commissioner of Agriculture Maj. Thomas F. Peck; Gov. Colquitt, of Texas, by Congressman R. L. HENRY; Gov. Hays, of Arkansas, by Senator JOE T. ROBINSON; Gov. Craig, of North Carolina, by Commissioner of Agriculture Maj. William A. Graham; and Gov. Blease, of South Carolina, by Mr. W. A. Stuckey. The conference took place on September 28 and 29. It was marked by an earnest, able, and patriotic discussion of the cotton situation from every standpoint. It developed that it was the almost unanimous opinion of the governors and representatives of governors that the problem could not be met by the States; that the intervention of the Federal Government was essential; and such, sir, is practically the universal opinion of the cotton farmers of the South. Most of the Southern States can not issue bonds without constitutional amendment, and constitutional processes are too slow for the disaster now impending. None of the States may coin money. That is an exclusive Federal prerogative.

It can not be said that the Southern States have been neglectful or indifferent in this matter. The governors, the legislators, and the people of those States have canvassed the situation with a vigilance born of desperation. Despite their traditional desire to exercise State functions and preserve State powers to the greatest extent possible under the Constitution, they have been driven by the iron logic of iron facts to the conclusion that the Federal Government is the only agency sufficiently powerful to save one-third of this Republic from the darkest calamity that has befallen it since the Civil War. It is idle to talk of State action with the cries of the 10,000,000 American men and women and children in the cotton fields of the South already resounding in our ears. Congress is in session and the machinery of the Federal Government may be immediately and easily set in motion. Before the legislatures of the cotton States can be assembled and proper action in the slightest degree secured the substance of the southern people, their chief source of subsistence, will have been swept away.

And so it comes to pass that the section which 50 years ago was swallowed up in the red gulf of war is again facing economic ruin. The South is to-day as much the victim of war conditions as if all the armies now swarming through the doors of death in Europe had laid waste every cotton field from the Atlantic to the Rio Grande. It is as if the flames from that hell of steel and fire in the other hemisphere had poured over the Atlantic and across the South, blasting the values on which the masses of our people depend to keep their bodies and their souls together.

The crisis that overwhelms the American cotton farmer to-day has elements that portend disaster for the American Nation. Of the 15,000,000 bales produced in the South this year 10,000,000 would now be going abroad but for the European war. The sale abroad of this 10,000,000 bales would have brought this country $600,000,000 in gold; would have preserved and strengthened its favorable balance of trade; would have continued to secure for it the commanding position it has heretofore occupied in world commerce; would have sustained its foreign exchanges and enabled it readily to have discharged its obligations abroad. The European war has practically annihilated the foreign market for cotton and crushed the domestic market. In August, 1913, cotton exports amounted to 357,000 bales; in August, 1914, to 21,210 bales; in September, 1913, they amounted to 930,000 bales; in September, 1914, to 120,000 bales. At this rate the total exports of the present crop will not equal one-half million bales. The loss of the country's principal export market, its principal source of gold payments from abroad, makes this cotton crisis a national one. What the final outcome will be for the Nation no human mind can predict. The retention in this country of 10,000,000 bales of cotton, which ordinarily would have gone abroad, has destroyed the local market for the remaining 5,000,000 bales, and the specter of ruin walks by the side of the southern cotton farmer and the southern business man. But for this struggle in Europe the product of the southern cotton farmers would be worth to-day more than a billion dollars. To-day it is practically valueless, so far as the bulk of the crop is concerned. The little cotton that is being sold does not bring enough to pay the debts the farmer incurred for its production. He faces winter and the holy Christmastide without the means to procure the necessities of existence. It is safe to say that most of the 10,000,000 people directly connected with the production of cotton are threatened with actual want; that another 10,000,000 who are dependent on this product for business occupation are threatened with bankruptcy.

The enormous purchases made by the South in other sections of the country can not be renewed, and obligations for former ones can not be discharged. The merchant and the banker, both in the South and in the North, the East, the West, must be ultimately more or less involved. The solution of the problem lies in some step by the National Government which will aid the South to gather and to hold the present cotton crop until conditions are readjusted. Whether the European war is to be long or short, the time will come when this surplus cotton will be demanded and utilized, and its terrible weight lifted from the portion intended for home consumption. The United States will thus save its balance of trade, and the domestic manufacture and consumption of cotton will revive. Unless something is done, probably half of the crop will be left in the fields, and even then such a surplus over domestic needs will remain as to make a living domestic price impossible.

Let me quote here from an editorial from the Washington Post of this morning containing a most forceful description of the present emergency and an appealing suggestion for national action:

A NATIONAL DANGER THAT CALLS FOR NATIONAL ACTION.

Exports of cotton this season to date amount to 181,721 bales. Last year in the same period 1,323,854 bales were exported.

This is the story of cotton in a nutshell. It shows the terrible danger that confronts the South. If this danger be not averted, it will bring about a collapse that will affect every person in the United States.

The South can not suffer without the East, North, and West suffering also. The country is one body, with four members. Just as the body suffers when an arm is cut off, so the Union suffers if the South is injured, or the West ruined, or the North devastated.

As it is the duty of the whole man to protect his members, so it is the duty of the Nation to protect all its parts. It can not thrive in one part while another part is stricken.

The United States is rich enough to protect itself against threatened ruin of the South. It has the vitality with which to meet and withstand this economic shock.

When the Middle West was submerged with the floods of the Mississippi and the Ohio, the Nation rose and grappled with the danger and ruin that threatened it. California, Florida, Maine, and Washington were as whole-hearted in their help as were Ohio, Indiana, or Kentucky. There was no talk of sectional selfishness. All Americans recognized that the floods were a common peril, calling for common action.

When San Francisco was destroyed by earthquake and fire the Nation quickly did all that was necessary to repair the damage. The same instinctive recognition of a common duty was manifested when Portland burned, when Charleston suffered, when Chicago was destroyed, when Omaha was shaken by a tornado, and when New Orleans was threatened with plague.

The danger that confronts the South is as real as fire or flood or tornado or plague. It is not an intangible or imaginary danger. If not met and mastered, it means bankruptcy, poverty, hunger, starvation. No fire or flood or tornado could more effectually destroy the South than the war in Europe can destroy it, if the Nation does not come to the rescue.

This is the time for thought and action on a national scale—big thought, big action. It is a time for large exercise of patriotism that knows no section nor faction; a patriotism that thinks and acts with the majesty and magnitude of a continent.

Let Americans join, recognize clearly the danger that confronts them, plan adequately to meet the emergency, and act unanimously in putting the plan into effect.

No power on earth—not even the world in war—can cripple the United States if its own people act together.

Mr. President, let the Government lend its credit for a short time to cotton farmers on the security of their cotton properly warehoused, and, if the Government should deem it necessary, on the security of their personal responsibility, and the situation will be saved.

The great chairman of the Banking and Currency Committee of the Senate, Hon. ROBERT L. OWEN, one of the most accomplished and progressive statesmen of his time, who adds a chivalrous heart to a mighty brain, tells me that this might be done without violating a single economic principle. We had a hearing on this subject before the Banking and Currency Committee of the Senate on Tuesday of this week, and I take this occasion to thank the members of that committee for the sympathetic attention and consideration they accorded those who came to seek relief for the stricken South.

Let me say here that cotton is an absolutely safe security. Because of its adaptation to human needs it will sell in regions of the earth where United States bonds will be rejected. Properly baled and sheltered it is practically nonperishable.

Let me call attention to the fact that from 1863 to 1868, inclusive, the Federal Government collected direct taxes on cotton to the amount of $68,072,388.99. This enormous sum was taken at a time when the South was least able to pay it; when her resources had been exhausted by a terrible war; when her fields, and homes, and cities had been rendered desolate by invasion.

The constitutionality of this tax was so questionable that the Supreme Court of the United States on February 20, 1871, divided equally on the subject, four justices holding that they were violative of the organic law. (See Farrington *v.* Saunders, Record of Briefs, U. S. Supreme Court, 216.)

The proper utilization of this sum in the present crisis would go far toward relieving the situation. Also there are $4,000,000 in the Treasury to-day representing the proceeds of cotton taken from southern plantations by the Federal Government after the war without the consent of the owners and without remuneration.

When the speculative market was prostrated in 1907 and owners of speculative securities could negotiate neither sales nor loans, the United States Treasury put its resources at the command of the metropolitan bankers. It sent enormous funds to New York City with instructions to lend them on these securities at a given rate and price, and the market was saved. The Government is lending millions to the farmers on irrigation projects in the West for the construction of homes, and all of us cheerfully joined in a recent enactment by which the time of payment was extended.

Mr. President, there is no agony surpassing that of him who sees the earnings of a year of patient toil and sacrifice disappear, who sees his wife and children so poorly clad that health and comfort are alike imperiled, who knows that he can not put shoes upon their feet or bread into their mouths. And yet, sir, such is the vision that haunts millions of our fellow countrymen on the other side of the Potomac. Senators of the North, the East, the West, these men are the sons and grandsons of the hosts who rallied behind—

The deadly calm of Stonewall's face,
The lion front of Lee—

who met your sires and grandsires in the test of battle and went down to an honorable, an unstained, a superb defeat. Nay, thousands of these men who face financial crucifixion are of that race your fathers gave their blood to liberate. Oh, sirs, the warring multitudes of 50 years ago are now at peace. Together they are camped behind the battlements of the New Jerusalem, brothers now forevermore. By the river of eternal life their bivouacs gleam, and soon the last survivor of each side here will join their comrades on that blissful shore. Their banners and their swords are lying near the throne of fadeless love to rise in hate no more. And what would give them greater joy to-day than to see this Government reach out its arms to the stricken South and bid it rise, to hear this Nation say to that unhappy people: "Your sorrows are my sorrows, your woes my woes. Every resource at my command is yours until there shall be secured to you the chance to live, the right to utilize your own in the manner in which you are entitled to employ it, the right to feel that you are a part of this Republic, equally beloved among its children, sharing equally its sympathy, its substance, its support."

Mr. President, I introduced the bill S. 6565, which provides for an issuance of currency to be loaned on cotton. I believed it to be entitled to a trial in the Senate, and at the hearing I obtained from the Banking and Currency Committee it was made the subject of a thorough argument. At the close of that hearing the chairman of the Banking and Currency Committee, Senator OWEN, made the following statement:

I have read the bill (S. 6565) for the temporary relief of the cotton growers of the United States, and it proposes that the Secretary of the Treasury shall deposit in the National banks and State banks of the cotton States $500,000,000, legal tender, and loaned to the banks at 3 per cent, and by the banks advanced to the cotton owner at 10 cents a hundred until cotton rises in price to 12 cents.

The witnesses before the committee have made it very clear what the distress in the South is. It is a national problem, however, because the cotton crop shipped abroad just about balances the demand upon the United States of our European indebtedness and gives us the so-called balance of trade heretofore in our favor. The truth is that except for the shipment of this cotton crop we would be obliged to pay a like amount to Europe, to whom we are indebted for certain interest charges and freight charges which do not appear in our balance of trade.

The paralysis of the cotton farmer who can not sell his cotton is immediately reflected upon the retail merchant, who can not collect from the farmer the amount due to him, and reflects upon the wholesale merchant, who can not collect from the retail merchant, and upon the manufacturer of supplies of all kinds, who can not collect from the wholesalers and jobbers, and upon the banks, who can not force the retail merchants to settlement, nor the wholesaler to settlement, nor the manufacturer to settlement. It results in a general dislocation of our system. It is not a question, however, of currency. There is an abundance of currency in the country to move the cotton. Currency is merely a form of human credit cut up in small pieces convenient for exchange from one hand to another in settling small debts. The real need is for somebody to furnish an acceptable form of credit to hold the surplus cotton of the United States until it can be adequately marketed.

Senate bill 6565 is, however, seriously objectionable, in that it proposes an issue of $500,000,000 of currency, immediately redeemable in gold, when the present gold supply of the Treasury is already pledged to the redemption of $346,000,000 of greenbacks and the maintenance of over $400,000,000 of silver at a parity, and the free gold in the Treasury will be needed, in all human probability, for the Federal reserve banks, immediately on the point of being organized, as well as to protect the Treasury against current demands.

The problem is one of credits. The United States could lend its credit for the purpose of carrying this surplus cotton. In doing so it ought to be paid the fair return for the loan of credit.

It ought to be safeguarded both by the credit of the cotton and the credit of the individuals who seek the accommodation.

The credit ought to be loaned in a form that would enable it to be absorbed by private persons throughout the world.

It ought to be in a form which would give the United States time in which to be reimbursed from the sale of the cotton, and therefore should be two-year notes, with the right to redeem in one.

In lending its credit the United States can not deal with private individuals conveniently, but the United States can organize artificial persons, consisting of groups of individuals, with whom the United States could deal with comparative ease. It has therefore occurred to me that Congress might authorize county cotton associations, membership to be measured in terms of pounds of cotton, on a basis of 7 cents a pound, which is a figure about the cost of actually producing cotton on moderately poor land in an average season. It is much higher than the cost on very rich lands in a good season, because it costs only 2 cents a pound, approximately, to pick cotton and should not cost over $5 an acre to prepare the ground, to plow, plant, cultivate; and, allowing a reasonable rental on land, 7 cents a pound would produce on an acre producing a third of a bale about $12, not counting the cotton seed, which in the case referred to would amount to about 350 pounds of cotton seed, worth approximately $1.75 in an average poor year; so that the total output would be about $14 on a poor acre yielding one-third of a bale and three times as much on land yielding a bale; and some land would produce a bale and a third, giving four times as much to the bale.

But since 7 cents is a fair estimate of the cost of production, the United States would not jeopardize its credit by lending its credit to this extent, especially if fortified by the credit of the individual members of a county cotton association having a double liability to the Government for the amount of the accommodation extended. In other words, the Government in accommodating private persons, even for a national purpose, ought to be abundantly secured by those who ask the accommodation of credit, and they have no right to complain if the United States asks them to put their private credit behind the loan made to them to safeguard the United States against the remotest possibility of loss. It therefore has occurred to me that the county cotton association could be established, with a president and treasurer and board of directors of five persons; that each man who contributes a bale of cotton to the association shall be given his interest measured in dollars and cents on a 7-cent scale per pound, according to quality, to be determined by the officers of the association; that the Government could afford to extend a credit to this association, each member of which would be liable to the Government or to the association in the amount of his stock interest, and the association would be responsible to the Government for the faithful repayment of the loan of its credit.

Suppose, then, the Secretary of the Treasury be directed to lend Government notes bearing 4 per cent, due in two years from November 1, 1914, with the right of redeeming at any time after one year; that these notes bear 4 per cent interest, and that the Government authorize the association to use these notes in paying for cotton stored with the association to be insured by the association, leaving the 2 per cent charged by the association to pay the United States for the use of its credit. Let the individual farmer be given a primary credit at cost of his bale, with an equity to be paid to him when the cotton can be marketed at a figure acceptable to the directors of the association, less his proportionate part of the expense, measuring as part of the expense an interest charge against him of 6 per cent for the loan of these credit notes. These credit notes, passing into the farmers' hands, should be made legal tender; the merchant should receive them at par, the wholesaler, the jobber, the manufacturer, the banker. The Federal reserve bank system and the national bank system and the savings banks of the country could absorb this issue with facility. It would produce no shock whatever to the Government credit; it would relieve all classes of business and it would violate no precedents, because the Government has not hesitated to lend money to private institutions, banking institutions, for crop-moving purposes, to relieve the distress from overflow in the Mississippi Valley, and recently at Dayton, Ohio, and even has loaned public funds to private citizens to enable them to move more conveniently from the theater of war in Europe recently. We have precedents in abundance, and there never was as gigantic demand for national necessity for protection of this cotton crop from destruction, because it is worth a thousand millions in fiber and in seed, and the surplus cotton which can not be used or sold being in direct competition with that which is required for our national use will crush this price from 12 cents to 6 cents and to private producers of the country of about $450,000,000 at direct cost to them, and the injury done to this class of people will immediately reflect itself in the bankruptcy of the local machine, and the distress of the wholesaler, jobber, manufacturer. This injury to the purchasing classes ought not to be permitted in a country of intelligence and patriotism.

The issuance of currency as a relief measure has the fatal defect of the requirement of being payable on demand in gold and being an unproductive form of credit. It is a credit on time we need, not a demand credit.

Mr. POMERENE. Mr. President, will the Senator from Texas yield to me for a question?

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

Mr. SHEPPARD. Very cheerfully.

Mr. POMERENE. The Senator from Texas has referred to what the Government did during the flood in Dayton——

Mr. SHEPPARD. I was reading the statement of the chairman of the Banking and Currency Committee.

Mr. POMERENE. Of course, we all appreciate what was done at that time, and I for one am ready to open the vaults and the doors of the Treasury on any occasion when a similar disaster may occur and wherever it may occur. Whatever moneys were loaned to banks in Dayton, of course, were properly secured by collateral which to the Secretary of the Treasury seeme all-sufficient.

But I want to offer this suggestion: Some weeks ago the Senate passed a warehouse-receipt bill, the purpose of which was to aid the South. I understand that bill has not yet come up for action in the House; but that was a measure which was prepared, as I understand the fact to be, by Senators from the cotton States. I voted for that bill because I had understood that, if it should pass and warehouse receipts were issued, the Secretary of the Treasury had stated that he would accept those warehouse receipts as collateral for the issuance of notes under the Aldrich-Vreeland Act. That bill as yet has not become a law, and therefore it can not be availed of.

The Senator has referred to the convention of the governors of the Southern States, and has suggested that some of the States could not issue bonds to relieve the situation without a constitutional amendment; but query: If the plan which was proposed for the organization of warehouses and the issuance of warehouse receipts would be a practicable plan if it were taken up by the National Government, why would it not be feasible for the legislatures of the several States, if the authority does not now exist, to provide by law for the organization of warehouses and for the issuance of warehouse receipts upon cotton, so that those receipts might be available for the purpose of issuing notes under the Aldrich-Vreeland plan after the manner intended by the Senate bill? Why could not that be done?

Mr. SHEPPARD. Mr. President, when the governors of the States and other representatives from the cotton section were here they said that they had looked into the situation carefully from every possible viewpoint and that it was their deliberate conclusion that the crisis could not be met by State action. I think the plan suggested by the Senator from Ohio has some very valuable features about it, but it does not solve the problem.

Mr. VARDAMAN. Mr. President, will the Senator from Texas yield to me for a moment?

Mr. SHEPPARD. Certainly.

Mr. VARDAMAN. In answer to the inquiry of the Senator from Ohio, I will say that some of the States—the State of Mississippi, for instance—can not participate in the benefits afforded under the Vreeland-Aldrich law. Under that act no banks except national banks can secure currency, and there are only 32 national banks in the State of Mississippi, while there are 326 State banks. I am confident that if the bill which passed the Senate, permitting State banks to share with national banks in the privileges of the Vreeland-Aldrich law and providing a warehouse system, had passed the House, it would very greatly have ameliorated the conditions there; but we have not enough national banks properly to care for the situation in the circumstances.

Mr. POMERENE. Mr. President, I realize the position the Senator took when that matter was up for discussion; but the Senator, I think, understands that there were some serious objections to the proposal. It is not necessary to go into the merits of those objections now. The Senator from Mississippi

represents a State which, perhaps, is unfortunately situated in that there are not more national banks within its borders; but there is no reason in the world why the State banks can not take out charters under the Federal reserve act.

Mr. VARDAMAN. The Senator will not accept what I have said as a criticism of his suggestion, I hope, because it was not so intended.

Mr. POMERENE. Oh, no.

Mr. VARDAMAN. I was simply informing the Senator from Ohio of the unfortunate condition existing in the South which made the plan discussed by him not altogether of sufficient scope to meet the emergent situation. There is no question in the world that if we could get money under the plan prescribed by the Vreeland-Aldrich law, and all the State banks were permitted to share in it, it would go, I repeat, a long way toward ameliorating the condition there; but as matters are at present we can not avail ourselves of that act.

Really, if I may be pardoned for saying so in the time of the Senator from Texas, the only power beneath the stars that I know of now that can give the necessary relief to save the South from bankruptcy is the Federal Government. I am not of those who believe that it is feasible or practicable or possible to pass a bill fixing an arbitrary price for cotton; but if the Federal Government, through its Treasury, would place money in the South through its designated agents—the money to be loaned to the cotton growers on cotton at the market price of cotton—it would be of immeasurable advantage. I do not mean that it should be loaned at an arbitrary price of 12, 10, 8, or 7 cents a pound, but upon the market price of cotton. If it were loaned to them in that way for such time as would enable them to pass over this crisis, to bridge this financial chasm, I think the South would be immensely benefited and the entire Nation would be saved an enormous amount of money.

Mr. POMERENE. Mr. President, it must occur to Senators that any plan which is adopted must be consistent with the principles of sound finance. The Nation can not do business on principles different from those followed by individuals and the States.

Mr. VARDAMAN. I do not ask that.

Mr. POMERENE. The Senator refers to the pledging, if I may call it such, of cotton at its market price as security; but the difficulty is that the Senator is not able to tell us what the market price of cotton is. It appeared before the committee the other day that, under normal conditions, the price of cotton ought to be about 15 cents—I believe that was about the figure named—and that it cost probably 12 cents to produce it. Now, it appears here to-day, from what the Senator from Texas has said, that 7 or 8 cents is about the market price.

Mr. VARDAMAN. If the Senator will yield to me for just one moment, if the Government were to issue money upon bonds or any other security or evidence of debt, would it not be issued upon the market price? You have the same way of ascertaining the market price of cotton that you have of ascertaining the market price of silver or bonds or any other commodity.

Mr. POMERENE. The Senator must understand that the price of silver is not so variable, that the price of gold is not so variable, and that the price of national bonds is not so variable as is the price of cotton.

Mr. VARDAMAN. They are all more so than cotton, I submit to the Senator.

Mr. POMERENE. I beg to differ from the Senator in that statement. This matter appeals to me very much, and when a feasible plan can be suggested I am willing to join hands with the Southern States to put it in operation. But I think that it must occur to Senators when they see that in the course of a month or six weeks the price of cotton has fallen from probably 15 cents to 7 cents that it may be——

Mr. VARDAMAN. Has not the Senator observed that in time of panic bonds depreciate in a greater amount than that?

Mr. POMERENE. Oh, as to industrial bonds, bonds of rather uncertain value, perhaps that is true; but, as I remember the Aldrich-Vreeland Act, there can be additional security provided as it may be needed and called for. But the thought that I wanted to leave with the Senate was that if it is a feasible plan for the National Government to provide a system of warehouse receipts for cotton which can be used by the Secretary of the Treasury as collateral security for the issue of notes under the Aldrich-Vreeland Act—and I understand, through the public prints at least, that the Secretary of the Treasury has signified his willingness to do that——

Mr. SHEPPARD. Not to the owner of the cotton.

Mr. POMERENE. I understand that, and, of course, that is true; but to the banks; that some system could be provided by each of the States, so that one could get a State warehouse receipt which would be just as available as a national warehouse receipt.

There is another consideration in that connection to which I should like to call attention. It seems to me that if the bankers of this country, and particularly in some of the Southern States, would take hold of the situation, as some of them do and as all of them ought to do, the condition might be very materially relieved.

Mr. WEST. Mr. President——

The PRESIDING OFFICER (Mr. O'GORMAN in the chair). Does the Senator from Texas yield to the Senator from Georgia?

Mr. SHEPPARD. I do.

Mr. WEST. The trouble about the States taking hold of the situation is the 10 per cent tax on State-bank issues. If we could only be relieved of the 10 per cent tax for six months, I think there could be a solution of the problem.

Mr. POMERENE. Mr. President, it does seem to me, if the Senator will give just a little thought to the proposition, he will agree with me that we are not willing in this country any longer to have, and we must not have, 48 kinds of State-bank notes issued by 48 different States. I for one will never consent to it.

Mr. VARDAMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Mississippi?

Mr. SHEPPARD. Certainly.

Mr. VARDAMAN. Before the Senator from Ohio takes his seat, I want to suggest to him that many of the Southern States, on account of the unfortunate experience we had down there after the war, have inserted provisions in their constitutions which prevent them from issuing bonds or becoming surety for matters of this kind. I hope the Senator will not imagine that this appeal is made as a sectional appeal.

Mr. POMERENE. I do not so regard it.

Mr. VARDAMAN. We are making it as Americans; we are not making it as mendicants; we are simply a part of the harmonious whole of this great Republic; and we feel that governments are made for men rather than men for governments, and that the all-sufficient spirit of altruistic selfishness may move the Senate when it comes to act upon a matter of this character, not that the South may prosper alone, but that the whole Government may be benefited when the South prospers.

Mr. POMERENE. Mr. President, I have no doubt of the American spirit of the Senator, and I hope that he accords to me the same broad American spirit when I express myself as I do. I am willing to help the Southland, the Westland, the Northland, and the Eastland when we can; and I want, if we can, to find a solution of this problem and to do something that will relieve the South and be consistent with good business principles of finance and which will not jeopardize the national credit.

Mr. SHEPPARD. Mr. President, I appreciate most deeply the spirit in which the Senator from Ohio has spoken. I believe it is the spirit which will prompt every Member of the Senate in approaching this problem, no matter to what party he belongs and no matter from what section he may come. With an appeal to Senators, regardless of party, to give this subject their best thought and their most earnest consideration, I shall soon conclude.

It will be seen that the chairman of the Banking and Currency Committee does not consider the bill S. 6565 a practicable measure. From conversation with other members of the committee I infer that they take the same view. Nevertheless, it must be admitted that the bill has served a useful purpose in bringing the southern situation before Congress and in developing the plan suggested by Senator OWEN. I believe that Congress now understands the danger confronting the South and the Nation. I shall gladly continue my efforts to develop some relief.

I now ask permission to insert as an appendix to my remarks my address before the Committee on Banking and Currency at the recent hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPENDIX.

[Hearings on S. 6565, Tuesday, October 8, 1914, Committee on Banking and Currency, United States Senate, Washington, D. C.]

STATEMENT OF HON. MORRIS SHEPPARD, UNITED STATES SENATOR FROM THE STATE OF TEXAS.

Senator SHEPPARD. Mr. Chairman, I want to say that there will be several speakers, and I think it would be well for you to limit the time in advance, to such time as the committee can give us, and then stick to that. The amount of time that you will allow us will rest with the committee.

The CHAIRMAN. I think that is a very proper suggestion. I will limit the time, to start with, to 10 minutes.

Who is your first speaker?

Senator SHEPPARD. I think I shall open the discussion.

I want to say that the substantial features of this bill were indorsed by a national meeting of the Farmers' Union of the United States at its annual meeting held at Fort Worth in September, where 2,000 delegates were in attendance, representing all the cotton sections of the South. This bill represents their appeal for aid. It is a measure that they think is indispensable in the greatest emergency that has befallen them since the Civil War.

When the European war began, a little more than 60 days ago, the prospect in the South was for a 15,000,000-bale cotton crop, which would have brought an average price of 12 cents a pound, or a total of $900,000,000. I will state that this estimate has been confirmed by a statement that was given out by the Agricultural Department yesterday, a statement that the crop of this year would amount to 15,000,000 bales.

Senator HOLLIS. At what price per pound?

Senator SHEPPARD. The price would have been an average of 12 cents at least. I will ask some of the gentlemen present here who are more familiar with that than myself if that is not a modest estimate?

SEVERAL VOICES. Yes.

Senator SHAFROTH. That is solely in the United States; that is not the world's crop?

Senator SHEPPARD. The world over, because the price of cotton is always a world price.

Senator REED. Let me make a suggestion, Mr. Chairman—and I want to say that I am not making it with reference to this particular interruption that has been made, because I am as guilty of interrupting statements as anybody else can be—that when a man gets up to say something the committee, I think, ought to listen to him without interruption, especially when the time is limited as it is, and I am going to suggest that the speakers be not interrupted.

The CHAIRMAN. I think that is a good suggestion, and the Chair will ask the members to refrain from interrupting the speakers.

Senator SHEPPARD. Roughly speaking, two-thirds of this crop would have been sold abroad, bringing to this country $600,000,000 in gold. The seed, which is sold separately, would have brought, at prices then prevailing, an additional $140,000,000, making over $1,000,000,000 the proceeds of cotton—the annual proceeds. It should be added that the gold obtained for cotton sold abroad, our largest and most valuable export product, is our principal reliance for the payment of debts owed by this country to other countries and is the mainstay of our foreign exchanges.

It may be said that the effect of the European war has been the almost complete annihilation of the foreign market for raw cotton, the almost entire cessation of the trade in cotton at the hour of harvest, a decline in price of practically 50 per cent, and a paralysis of business, threatening general ruin throughout the South, which will affect, ultimately, every section of the country.

To give the committee an idea of how completely this foreign trade in cotton has been annihilated, let me say that the exports in August, 1913, amounted to 357,000 bales, and in August, 1914, to 21,210 bales. In September, 1913, the exports of cotton amounted to 930,000 bales; in September of this year they amounted to 120,000 bales.

The committee now has an idea of the complete destruction that has been visited on the principal source of gold supply that comes to this country from abroad.

The CHAIRMAN. You mean it is the shipment of cotton abroad upon which America bases its balance of trade with Europe?

Senator SHEPPARD. Yes, sir.

The CHAIRMAN. Therefore it has a national bearing as well as a southern bearing?

Senator SHEPPARD. I thank the Chairman very much for that statement, because that was the point I had in mind. We thus see the national aspect of the question, and we see that the Government has every reason in the world to step in and prevent the disaster now pending.

But little cotton is being sold for either foreign or domestic consumption at the low prices now obtaining, and it is impossible to predict the extent of the financial disaster which may result. Cotton is the principal crop of the South, the basis of her prosperity; and her extensive purchases from other sections of the country are dependent almost entirely upon her ability to market her cotton crop. The strain on foreign exchanges, resulting in great part from the failure of the foreign market for our principal export article, cotton, has already necessitated the formation of a gold pool of $100,000,000 by American banks. If the farmer is compelled to leave a large portion of the present crop to rot in the fields, the price being too low to justify the expense of gathering—if some means can not be found by which he may be encouraged to store the surplus until the European demand revives, it is difficult to measure the sacrifices the Nation may have to make to meet its obligations abroad, to prevent an increasing flow of gold from our shores at the very time when it is needed here most. Adding to this the curtailment of the enormous purchases the South usually makes from other sections of the country, and of her ability to meet financial obligations in northern and eastern sections, it will not be denied that the crisis now confronting the South has aspects so distinctly national as to justify any aid the Government may legally render on the ground of a national emergency, if on no other.

The sudden decline in the price of her principal product has dazed and disheartened the people of the South. Cotton is preeminently the poor man's crop. The average farmer makes only a few bales, and these cost him from 9 cents to 10 cents a pound to produce. I think that is a modest statement as to the cost of production. With no market for our product, or a very limited one at a price distinctly below the cost of production, the South finds herself unable to meet her obligations, and the farmer finds himself unable to meet his obligations to the merchants and bankers who have provided him with the means of production. Thus he finds himself without means to buy the bare necessities of life for his family, not to speak of ordinary comforts, not to speak of the education of his children. In other words, the farmer is not going to get enough out of the crop to pay the debt that he has already contracted in order to produce the crop. So he faces a winter of starvation and distress, and you can imagine his state of mind. The shoeless feet and famished lips of his dear ones are part of the picture the immediate future presents to him.

And, gentlemen, we want to impress the situation on you, if we can. I do not feel that I am exaggerating it in the slightest, and I believe I will be sustained by men who have come here direct from the heart of the desolated and stricken South. These men, these cotton farmers, are descendants of the Confederate hosts that battled for four years for a cause in which they believed and for which they freely gave their blood. Here and there is an aged Confederate soldier who is still toiling on the land for which he fought. These men have borne, without complaint, the burdens of Federal taxation and have cheerfully contributed their share of the billions of dollars that have poured into other sections of the country in the shape of pensions. I know the patriotism and character of Americans in other sections too well to feel that the stricken South will have at their hands any other than the most sympathetic and considerate treatment.

Now, what do we of the South ask in this terrible hour? If the decline in cotton had come about from natural causes, or causes over which we could have had any control or which we could have foreseen, we would have had no case before the Federal Government except in so far as the Government itself might consider the problem a national one. What we ask is governmental aid in some form that will prevent the needless sacrifice of the present crop. If the crop can be held until it is known what the foreign demand will approximately be and until domestic consumption is revived, it is probable that three-fourths, or even four-fifths, of the crop may be marketed at such prices as will avert total ruin. The southern farmer turns instinctively to the National Government as the only power sufficiently strong to handle the situation. He saw Government funds deposited in New York in 1907 to save the market for speculative securities. He has seen panics averted by the mere declaration of the Secretary of the Treasury that hundreds of millions of dollars were in readiness to meet any unusual situation. He has heard of millions being deposited in banks to help him move his crops, and he wants to see the color of that money now.

If a great flood had swept the South from the Potomac to the Rio Grande, destroying property to the extent of hundreds of millions of dollars, the Nation would immediately act; there is no question about that. If a foreign enemy had begun a bombardment of southern ports and blocked all exportation every resource of the Government would be utilized in our behalf. Yet the South is as completely in the grasp of a war condition to-day, as far as her principal commodity is concerned—and many other commodities outside of foodstuffs, for that matter, because they are suffering also—as if a foreign enemy had blockaded every port and as if its guns were frowning at the entrance of every harbor. That is the situation exactly.

It is submitted that additional Treasury notes might be issued to be loaned to cotton farmers on cotton properly warehoused as security and at a price so low as to insure absolute safety and yet large enough to enable the present crop to be held until conditions are stable. The one hundred and twenty or one hundred and thirty millions of free gold now in the Treasury would furnish a redemption basis for a note issue that would go far toward solving the problem. We do not ask for charity; we ask merely for a chance to save an article which will sell, in normal times, where a United States bond would be rejected. We want a chance to use that article as security for an advance from the National Government. We present this bill here that has just been read as our conception of the situation. We ask the committee to consider that bill and see if we can not evolve some remedy that will meet the situation. I believe that we will have the sympathetic consideration of the committee. The bill is intended to point out the crisis and to pave the way for definite action. We want this great committee—a committee that has won a world-wide reputation already in reforming the Nation's banking and currency system—to give us the benefit of its best thought on this urgent subject.

Let me repeat here the language of Nehemiah on an occasion of overwhelming disaster many centuries ago:

"Then said I unto them, ye see the distress we are in, how Jerusalem lieth waste and the gates thereof are burned with fire: Come, and let us build up the wall of Jerusalem that we be no more a reproach."

Mr. WILLIAMS. Before the Senator takes his seat, will he state the remedy he proposes?

Mr. SHEPPARD. I have just read it, and I hardly feel that I can trespass further upon the time of the Senate.

Mr. WILLIAMS. Generally, it is a proposal that the Government advance money upon cotton at the price of 6 cents per pound, is it?

Mr. SHEPPARD. At 7 cents per pound.

Mr. TOWNSEND obtained the floor.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Mississippi?

Mr. TOWNSEND. What does the Senator wish—to ask a question?

Mr. WILLIAMS. I wish to address the Senate for a few minutes on the cotton question.

Mr. TOWNSEND. I have obtained the floor for the purpose of proceeding to address the Senate for a few moments myself.

Mr. WILLIAMS. If the Senator has the floor, I do not want to deprive him of it.

EMERGENCY REVENUE LEGISLATION.

Mr. TOWNSEND. Mr. President, the pending bill proposing to impose an extraordinary tax of $105,000,000 upon some of the people of the United States at this time is a striking climax to 19 months of Democratic administration. Upon its passage we are told that Congress may adjourn, and its record will be submitted to the country in November, in order that the voters may pass upon it. It is the composite product of Democratic achievement, and to understand its meaning and its alleged necessity it becomes important to review the events which constitute its history. It is necessary to understand the conditions of the country in November, 1912, and political history since, in order that the situation in October, 1914, may be rightly understood and the philosophy of cause and effect properly applied.

At the time of the national election in 1912 the Republican Party, with the exception of a Democratic House in 1911, had been in full charge of the Government for over 15 years. Industry was never so prosperous, labor never so universally employed at so high a wage, our currency was never so stable, our national finances never so sound; progress along civic, indus-

trial, and moral lines was never so sure and marked as they were prior to the election of 1912. Upon the commercial ruins wrought by Democratic policies from 1893 to 1897 an enormous industry had been erected. Our fiscal policy not only encouraged domestic production and placed the cost of the highest and best living at the lowest price, when measured by ability to purchase, known in history, but it kept the National Treasury full, notwithstanding that out of it from current revenues were paid nearly $300,000,000 for the construction of the Panama Canal. No bond issues in a time of peace, no burdensome extraordinary tax levies were then required to meet the expenses of government. The public debt was being rapidly extinguished, internal improvements were being constructed, the markets of the world, notwithstanding our lack of a merchant marine, were being captured by our manufacturers, the while our domestic commerce, the most stupendous in all the world, was held for American producers.

The Sherman antitrust law was for the first time since its enactment enforced against trusts and monopolies. Since the decisions in the Standard Oil and Tobacco cases not one new trust has been organized. The law had been declared sufficient to meet and destroy every possible effort to monopolize or improperly restrain trade.

The interstate-commerce act was made a living thing in the control of common carriers. Rebates were discontinued, the free pass was abolished, special privileges to favored shippers and localities were destroyed.

Laws for the protection of railroad employees and of the traveling public were enacted and enforced.

A Federal workman's compensation act was written into the statutes.

An employers' liability bill passed a Republican Senate and was smothered to death in a Democratic House.

An Industrial Relations Commission, having for its object the just solution of the problem of capital and labor, was legally enacted.

A Bureau of Mines and Mining and another of Labor were created.

The Panama Canal had been begun and was practically completed, and that canal, constructed by American money and American genius on American soil was declared to be the property of its builder and owner.

A pure-food law, protecting the people against impure, adulterated, and poisonous drugs and foods, was enacted.

The white-slave act was written into the statutes.

Meat inspection was provided by law.

A parcel-post system was established.

Postal savings banks were created.

Rural delivery of mail was extended to practically all of the people.

An emergency currency law, which has been a life preserver to the Democratic crew, shipwrecked in their unseaworthy currency boat, was passed.

Children, the material from which are made men and women who are at once the instruments as well as the objects of Government, were recognized as being of as much importance as cattle and hogs, and a Children's Bureau was created.

Two constitutional amendments, one for the direct election of United States Senators and another for the levying of an income tax, were submitted to the people.

A protective tariff was maintained under which Democratic farm mortgages were discharged, thousands of factories were erected, railroad construction was greatly extended, and every man who wanted to work found employment at the American wage.

These and many other laws promotive of the industrial, financial, civic, and moral welfare of the people were enacted under Republican administrations, and most of them during the six years immediately preceding March 4, 1913.

Gradually the people were coming more and more into the control of their Government. Men of ultrareactionary tendencies were at every biennial election being supplanted in public place by those of more progressive principles.

This in general was the condition of our country in 1912. In that year a political unrest appeared in the Republican Party. Indeed it appeared two years before, in 1909 and 1910. It had its nominal beginning in the passage of the Payne-Aldrich tariff bill. Ostensibly the struggle originated over schedules. The tariff bill was in the hands of men who, knowing that the people were favorable to protection, assumed to prepare it without due consideration of the rights of their colleagues, and if a true history of those events could be written it would disclose a set of arbitrary imperious leaders on one side and a set of equally arbitrary ambitious would-be leaders on the other. A Democratic House of Representatives was secured in 1910, not because of the people's faith in the Democratic Party, but because of speeches made by Republicans and circulated by Democrats.

"Cannonism" and "Aldrichism," which were synonyms for bossism, were the political cries of 1910 and 1912 campaigns, which were campaigns of prejudice and misrepresentation. The Democrats were beneficiaries of the contest between Republicans.

Through the overmastering influence of President Roosevelt, William H. Taft was nominated for President in 1908. The convention of that year was organized and controlled exactly as was the later one in 1912. The South was represented in the former convention, as it was in the latter, far in excess of the proportion to which it was entitled when measured by the Republican votes cast in that section. A strong Republican element, of which President Roosevelt was not a part, sought to change the convention rules in 1908 so as to eliminate a portion of the southern representation, but without avail. The effort was made again in 1912, and some of its leaders were of the faction which four years before had opposed it. And again the effort failed. The Republican platform of principles adopted in 1912 was such that either candidate for the Presidency in good conscience could have run upon it, but both could not do so at the same time The minority in 1908 acquiesced in the action of the majority, but in 1912 Col. Roosevelt, while still proclaiming that he was a Republican, insisted that he was the choice of the party, and bolted the convention. He assembled an army of followers and made war upon the party which had given him his every political opportunity from police commissioner of New York to President of the United States. That he had a cause of complaint at the organization and conduct of the 1912 convention I have no doubt. That it was any different in principle from that by which he profited in 1908 I most respectfully deny. Both were partly bad, because in a measure they denied to the people fair and unbiased representation. The real trouble, however, originated in the conflict between the ambitions of men. In both conventions it was largely a contest between bosses and would-be bosses, with the balance of abstract right at both conventions with the "would be's." Those inequitable rules have now been changed, and the next Republican convention will be absolutely in the hands of the legally elected delegates. Democratic conventions have for years been dominated by personal and sectional interests in the same way, and the Baltimore convention did not register the will at that time of a majority of the Democrats in the United States whose representatives were there assembled. They were defrauded by political trickery; but that convention pledged itself to reform its methods thereafter. Inasmuch, however, as practically every other plank of that platform has been violated, this one may be repudiated also. The next Republican convention will be absolutely in the hands of delegates chosen directly by the people, who will be seated without regard to the national committee.

The Republican Party in 1912 was divided, as it was in 1872, into two factions, but the Democrats were wiser latterly than they were in the former campaign. They did not adopt one of the Republican candidates, but stood pat while Republicans forced victory upon them. Neither faction of the Republican Party desired Democratic success. It knew from bitter experience what that meant. And yet, through Republican dissension, the Democratic Party, constituting a minority of the people, was placed in power.

Since March 4, 1913, Democracy has been in full charge of all branches of the Government. There has been no division of either responsibility or power with any other party. There has been no division of responsibility or power in the Democratic Party. Indeed, it is impossible for a man to divide with himself, and Mr. Wilson has been President and Congress. Some Democratic Senators have at times declared their independence, but when the President has heard of their acts of insubordination he has sent for them, and, with a few rare exceptions, he got them. The fires of rebellion have been quenched and the erstwhile independent has become as submissive as the slave broken by the master's rod.

The Democratic Party came into power on a platform of principles declared by it in terms to be kept. It was not bait to catch votes, but it was a declaration of pledges to be observed, of principles to be followed.

Among the important, underscored provisions of that platform were these:

A tariff, except for revenue to meet the economical needs of government, is unconstitutional. The protective tariff is the principal cause of the unequal distribution of wealth and of the high cost of living.

The Republican Party is denounced for the "profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses."

It demands "a return to democratic simplicity and economy."

And "a reduction in the number of useless offices, the salaries of which drain the substance of the people."

It condemns "the present method of depositing Government funds in a few favored banks in return for political favors" and pledges the Democratic Party to "provide by law for their deposit by competitive bidding in the banking institutions of the country, State and national, without discrimination as to locality."

It says, "We favor the exemption from toll of American ships engaged in coastwise trade passing through the canal." I shall not dwell upon the violation of this declaration. It will blot the page of our history which records it.

The platform indorsed the civil service in this language:

The law pertaining to the civil service should be honestly and rigidly enforced, to the end that merit and ability shall be the standard of appointment and promotion, rather than service rendered to a political party.

It insists upon the overthrow of "Cannonism," and offers itself to the country as an agency "through which the complete overthrow and extirpation of corruption, fraud, and machine rule in American politics can be effected."

It concludes all as follows:

Our platform is one of principles which we believe to be essential to our national welfare. Our pledges are made to be kept when in office as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

By reason of the civil war among Republicans the Democratic Party rode into power on that platform I repeat that it came in when the moral, civic, political, and industrial conditions of the country were the most favorable and hopeful ever known in any land. It was a minority party, and yet it was legally vested with all the powers of government. Almost immediately the President assumed not only party leadership, as it was his right and duty to do, but he became the unquestioned, undisputed master of the majority in Congress. The majority in House and Senate surrendered their constitutional right to originate and enact legislation and became the obedient servants not of the people, but of the President. The secret caucus, condemned by author and candidate Wilson, has been the forum where laws have been made.

The public has not known, the minority has not known what arguments were made, what discussions occurred, what considerations were potential in the framing of those laws. Many times after the caucus bills had reached the Senate and were there subjected to criticism by the minority, and suggested amendments looking to the elimination of glaring errors had been made by Republicans, those amendments would not be adopted until the Democratic caucus had first considered them. "Cannonism," which was but the product of the House rules under which Republican and Democratic majorities had controlled the House of Representatives for years, was eliminated by a Republican House when it made it possible to consider bills without the consent of the Speaker and took from him the right to appoint the standing committees. The "kitchen-cabinet" system of Speakers Crisp, Reed, and Cannon, composed, however, of Members of the House, has been abolished, in a measure, and its place is now taken by the President, who conveys his orders to the leader of the House majority and to some trusty in the Senate. The Rules Committee under Republican administrations sometimes brought in rules for forcing bills through with limited debate, but those rules were seldom forced by caucus demand. In the open House their necessity and wisdom was determined. During the eight years that I was a Member of the House there were fewer by one-half of these so-called "gag" rules than have been passed in the three years that the Democrats have controlled the lower branch of Congress. Under Speaker Cannon the rules were adopted to carry out the will of the House majority. Under Speaker CLARK they have been adopted to carry out the will of the Executive. Instead of abolishing machine rule, as promised in its platform, the Democratic Party installed a political machine which has supplanted individual initiative and congressional independence.

Mr. President, the Congress of the United States, under the Constitution and in the welfare and perpetuity of the Republic, is second neither in power nor dignity to any branch of the Government. It is constituted of representatives of the people from whom they directly come and who pass upon their work every two or six years. Sir, from the Congress the people in the past have selected many of their wisest and most patriotic and able Presidents. The fathers thought that a body of men coming from every section and district of the country could be best trusted to legislate—that is, make the laws for that country—but they vested in the President the right to veto any of those laws which to him seemed unwise; yet even in cases of veto two-thirds of both Houses of the Congress could nevertheless enact them into laws. Under predetermined Executive legislation what a farce is made of this right to override a presidential veto. The President will not veto his own action.

The people have demanded that the action of their representatives should be open and public. Good business, good government, and good morals require that legislation for the people shall not be framed in the dark nor evolved in the secret caucus. Upon its every step from conception to consummation should shine the white light of unscreened publicity.

To some it may seem a trivial thing that the Executive encroaches upon the Congress, but the main difference between an absolute monarchy and a republic is that in the former the king is supreme, while in a republic the president is but one of the equal coordinate branches of the government; and yet, sir, to-day in Great Britain, which is a limited monarchy, the Parliament, in matters of legislation, is more independent and influential than is the Congress of the United States. Indeed, that high hereditary body, the House of Lords, yields to the people's Parliament. There the lawmaking branch—the initiating branch—is of the greatest importance, while here, through the encroachment of Executive power and by its servile submission to such encroachment, the Congress is becoming of secondary consideration.

The press, the showman, the Chautauqua lecturer, aye, many times the Congressmen themselves, have come to hold up to public scorn the legislative branch of our Government, without which the Republic could not endure. The questions asked are not what will Congress do about the tariff, about canal tolls, about the currency or the trusts, or any other great matter, but, rather, what does the President want? What measures will he insist upon becoming laws? What is his legislative program? When will he permit Congress to adjourn? It is believed to-day that whatever legislation the President wants he can obtain from Congress through secret Democratic caucus coercion. It has no legislative program of its own. He does have one of his own.

If the Congress continues to belittle its own dignity and power, the time will come when the taunts and slurs of the press and of other publicity agents may induce the people to abolish what will then have become the fiction of a legislative body and will vest all power in the President. Then the Republic dies and a monarchy is born.

But it may be asked, What has this to do with the proposition to levy additional tax burdens upon the people at a time when we are at peace with all the world, and our granaries are bursting with the products of the greatest harvest in our history? I shall endeavor to make the relation close before I am through. I shall show that much of the legislation of this Congress conceived in darkness, born in the secret party caucus, and reared into statutes by subservient tyros in legislation, has been illy considered, unwise, and extravagant, and that the pending bill is the humiliating result.

It was known and expected that the Democratic Party would revise the tariff. If it stands for anything, it is for free trade, except in so far as duties are necessary for obtaining revenues to meet the expenses of government. In April, 1913, the President assembled Congress in extraordinary session, and it has not adjourned since, nor doth it yet surely appear when it will be permitted to adjourn. Ostensibly it was called to revise the tariff, in accordance with the plank in the Democratic platform which I have heretofore mentioned. It was to be revised so as not to disturb but to benefit business and to reduce the cost of living. It was to aid American capital and labor by opening our markets to foreign competition and give our manufacturers enlarged opportunities abroad. This was the first and principal article in the constitution of the "New Freedom."

Under the secret-caucus method I have mentioned the administration prepared and enacted the existing tariff law. I do not believe any Democrat believes now that this law has accomplished any one of the benefits claimed for it by its advocates. From the day of its passage until this hour it has bred doubt instead of confidence; it has caused idleness instead of industry; it has dismantled factories, not built or enlarged them; it has taken from the Treasury of the United States $75,000,000 and placed it in foreign banks to the credit of importers; it has not reduced the price of living, but has increased the cost of obtaining it by lessening the ability of the consumer to buy.

Long before war became imminent in Europe this law had demonstrated the fallacy of the democratic argument, namely, if we buy more goods of foreign nations, those nations will buy

more of us. Our purchases from foreign nations have increased $102,000,000, while our sales abroad have decreased in the same time $108,000,000. We have bought more; we have sold less.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. TOWNSEND. I yield.

Mr. NELSON. If the Senator will allow me, when he studies the figures he will find that in the 10 months ending the 1st of August last, under the Democratic tariff law, we have lost $152,000,000 in our export trade, and there has been a gain of $82,000,000 in our imports in those 10 months since the tariff was enacted, up to the 1st of August, prior to the war.

Mr. TOWNSEND. I have tried to be ultraconservative when I have quoted figures. I have quoted from the reports of the Secretary of Commerce, and they cover, as I recall, nine months prior to the 1st of August. I am not clear as to the length of time, but in that report, where I obtained my information, I found that during those months we purchased abroad $102,000,000 more than we did in the same months the year before, and we sold $108,000,000 less.

Mr. NELSON. The figures I gave to the Senator cover the period from the time when the Democratic tariff law took effect. It took effect the 4th of October, 1913, the day after its passage, and from October to the 1st of August, for a period of 10 months, those are the figures, as I gave a moment ago.

Mr. TOWNSEND. I am obliged to the Senator for his suggestion.

Much that we have purchased from the foreigner we could and should have produced at home. We know that we have been the loser in our foreign commerce to the extent at least of $150,000,000 since the Underwood tariff became a law.

I am speaking now conservatively and am deducting from the total amount of trade against us the value of such goods as possibly we might not have been able to manufacture in this country.

This administration has donated to Canadian lumbermen $2,000,000, which is about the amount they contributed to the expenses of our Government last year, and if the Payne rate of $1 a thousand had been paid on the lumber foreigners shipped in during the first eight months of the Underwood bill, they would have paid more than twice $2,000,000, and no consumer has paid one cent less for his lumber under free trade.

It has already given to the Sugar Refining Trust over $10,000,000, and in two years, when all of the sugar tariff is removed, the gift will be increased many times that amount, and yet instead of the price of sugar to consumers going down it has risen, and to obtain the money for this gift and others like it this proposed tax is to be levied.

It has been not only generous but magnanimous to the foreign woolgrower and woolen manufacturer. To them at least $20,000,000 of money to be raised by this bill has been presented without a cent of benefit to American wearers of woolen clothes.

The importers of beef and cattle have been relieved from paying $5,000,000 toward the support of our Government, and that amount has been placed upon our own already overburdened taxpayers, and the consumer pays more for his meat.

The aggregate munificence of this administration to the importer based on the Payne rate applied to importations for this year would amount to the sum carried in the present bill, and if the old rate had reduced the importations one-half, we would still have obtained more than $50,000,000 from duties in excess of what we have received and will receive this year.

But these are not the only national losses American industry and enterprise have sustained since October 3, 1913. Domestic consumption has been reduced. Our people have not eaten as much, have not bought as many nor as good clothes. Inquire of your home boot and shoe dealer, and he will tell you that he is selling fewer and cheaper shoes, that he is now employing a cobbler where before he had an extra clerk, and that some of his customers who never wore a half-soled or a patched shoe before now are wearing both. The savings deposits of the banks have decreased, because instead of weekly savings weekly withdrawals are made, and were it not for the fact of 15 fat years under Republican policies, during which millions of savings were stored up to draw from now, the country's condition would be worse than it is at present. And here let me recall to Senators a statement which was made by the senior Senator from Alabama, when he was pleading with his party to exercise economy at the time the river and harbor bill was up. It grated so harshly on Democratic Senators' ears that they will not easily forget it, but neither will they mention it. I shall not be embarrassed by repeating it. He called his colleagues' attention to the fact that a revenue bill raising $100,000,000 would soon be in the Senate, and that it would probably be but a beginning of what would have to be raised hereafter. His suggestion may prove prophetic. The fiscal policy of this administration will have to be changed or else special taxation will be progressive. This proposed levy may carry the country through to the end of the fiscal year, but unless economy unknown to Democracy is practiced another extraordinary tax burden will be imposed next year.

I am not, however, hopeless of my country's industrial and financial future. It has survived Democratic administrations before, and it will survive this one. It will be poorer, but wiser. The European war, which is now the sheet anchor of Democratic hopes, the excuse which Democracy offers for the natural consequences of its own misdoings, will ere long prove a real financial good to some American industries. It is a heaven-crying pity that such an opportunity for profit should come to any country. Better our Nation in poverty than Europe in such a war; and yet it seems inevitable that some of our people will profit by this awful calamity for a season. The European war is now made the unpatriotic excuse of Democracy for Democratic blunders and southern depression, but ere long I believe it will become a real temporary benefactor to that party and section.

Cotton is the material of hard times. It is the chief example of an American product, raw and manufactured, which needs but little, if any, protection. The late tariff commission showed to my satisfaction that many American cotton products were sold here cheaper than they could be made abroad, and all that many cotton factories now need is for Congress to go home and quit meddling and speculating with business. If this Congress had never assembled, the present emergency would never have occurred. Let your cotton planters possess their souls in patience for a few months and the incarnated waves of war will discharge upon our shores a benefit to them. There is a tomorrow for cotton which would not have dawned under this administration had it not been for the European war. That day will not break for the copper and iron and wool and manufactured products of the East and North and West until this Government shall have adopted a new fiscal policy.

In the meanwhile do not ask us to levy a tax upon our people to save your cotton planters for a season, while ours, in many cases suffering as yours are suffering, are left helpless and hopeless indefinitely.

Referring again to the platform statements of the party in power, you will recall that the Republican Party was denounced "for the profligate waste of the money wrung from the people by oppressive taxation," referring, of course, to the tariff, "through the lavish appropriations of recent Republican Congresses." Now, the clear implication to be derived from that statement was that the Democratic Party if placed in power would not indulge in extravagance. Indeed, it demanded "a return to Democratic simplicity and economy." It also demanded "a reduction in the number of useless offices the salaries of which drain the substance of the people." What have been and are the evidences of Democratic reform in the expenditure of money and in the reduction of useless offices?

Up to date the appropriations of this Congress for the year ending June 30, 1915, have been $1,089,408,777, while for last year the total appropriation was $1,057,605,694, and for the last year of a Republican House and Senate the amount appropriated was $978,521,087. But this year's appropriations have not all been made, and besides it must be borne in mind that the expenditures for pensions this year are $11,500,000 less than they were one year ago. It must not be forgotten either that this year's appropriation for the Panama Canal is about $14,000,000 less than for the same purpose last year.

Mr. President, even with the false and unwise fiscal policy which has wrought and which will continue to work havoc with our commercial, financial, and industrial interests there would have been received this year money enough by the Government to meet expenses no greater than those incurred under the last Republican Congress. With proper economy we could have paid our debts. We, of course, can not remain solvent and with paternal generosity pay the legitimate expenses of the Southern States; we can not, under the guise of combating the boll weevil, conduct for the cotton section the extensive and costly processes of general agriculture; we can not carry their cotton in warehouses until the blight of Democracy has been lifted from the cotton mills and factories; we can not build railroads into the icebound regions of Alaska; we can not buy ships to embark upon a sea already crowded with empty vessels; in purchasing Government supplies, we can not play favorites for political or other mercenary reasons and pay from 50 to 100 per cent more for them than they could be obtained for from responsible bidders; we can not create million-dollar commissions to enter upon doubtful and illy defined duties pertaining to private enterprise; we can not display our profligacy,

and lack of patriotism by making a $25,000,000 present to Colombia; we can not create hundreds of new and useless offices "to waste the people's substance"; we can not do these things and keep the balance on the right side of the ledger.

The President in his last message to Congress calls attention to the fact that our revenues for August fell off $10,600,000 from those received in August a year ago. That is true, but they fell off only $2,500,000 from those of July, 1914. He was more politician than statesman when he said that, else he would have also stated that in July of this year the revenues from imports were $5,000,000 less than they were in July, 1913, and in February of this year the customs receipts were about $10,000,000 less than they were in February, 1913. He evidently used August because he could charge the falling off in that month to the European war. During all of the other months since the Underwood tariff was passed, save alone the month of May, the receipts from customs have been less than those of the corresponding months the year before, and no European war was on. As my distinguished colleague in the House, Mr. FORDNEY, has well said, the present war in Europe is not the cause of but it is the excuse for this unjust tax.

If I am unable to convince you of the extravagance of this Congress, let me call a Democratic witness, the chairman of the great Committee on Appropriations in the House of Representatives, Mr. FITZGERALD. At the end of every Congress the chairman of this committee is expected to summarize and justify the expenditures for which appropriations are made. On April 10, 1914, Mr. FITZGERALD, anticipating the task of justification that would later come to him, said this:

Mr. Chairman, it may seem somewhat strange, but I hope it is not out of place, to remind Members on this side of the House that the Democratic platform pledged us in favor of economy and to the abolishment of useless offices; but it did not declare, Mr. Chairman, that the party favored economy at the expense of the Republicans and the abolition of useless offices in territory represented in this House by Republicans while favoring a different doctrine wherever a Democratic Representative would be affected. In a few months I shall be called upon in the discharge of my official duties to review the record that this Democratic House shall have made in its authorization of the expenditure of the public money. Whenever I think of the horrible mess I shall be called upon to present to the country on behalf of the Democratic Party I am tempted to quit my place. I am looking now at Democrats who seem to take amusement in soliciting votes on the floor of this House to overturn the Committee on Appropriations in its efforts to carry out the pledges of the Democratic platform. They seem to take it to be a huge joke not to obey their platform and to make ridiculous the efforts of the members of our party who do try to live up to the promises they made to the people. My colleagues upon this floor seem either to be so indifferent to a very perilous situation for our party or else, which I do not wish to believe, have so far forsaken Democratic practices and Democratic principles as not to deserve to continue in control of this Government.

We charged the Republicans for 12 years of my service in the House under Republican administration with being grossly extravagant and reckless in the expenditure of the public money. I believe that charge to be true. I believed that my party, when placed in power, would demonstrate that the charges we had made in good faith were true. We are entitled to the help and to the support of the Members on this side of the House in honest efforts to carry out the pledges of the Democratic Party, and in our attempts to show that what we charged in order to get into power was true. We have not had that support. Our Democratic colleagues have not given that support to us thus far during this session of Congress. They have voted against recommendations they should not have voted against. They have unnecessarily piled up the public expenditures until the Democratic Party is becoming the laughingstock of the country.

I appeal to them now before it is too late; I appeal to them now before we have gone beyond recall to stop the conduct of which they have been guilty. Do not continue to vote for these improper and improvident appropriations. Those who propose to continue to do so should at least have the courage openly to assert upon the floor of this House that they believe the professions of the Democratic Party have not been made in good faith, that they can not be carried out, and that we are not entitled to power because of those professions.

But Mr. FITZGERALD is not the only Democrat who has seen and dared to announce the truth about Democratic extravagance. Another Member of the House of Representatives, coming from the great State of Mississippi, Mr. SISSON, said this on the floor of the House last April:

This is the most outrageously and criminally extravagant Congress that ever sat on the American Continent. I want to apologize to the Republicans for having called them extravagant when they were in control of the House. They were modest in comparison with the appropriations that we are now making.

In view of all this and more, will anyone dare to claim that the Democratic Party has kept faith with the people by its work in this Congress? Why, it has set a new high mark for the flood tide of extravagance.

Being by its platform committed to the abolition of useless offices, it was, ergo, against the creation of new offices; rather, I should, say, it was against that during the campaign in 1912; but the demands of the spoilsmen were so strong, the office seekers were so numerous, and the offices so comparatively few as to convert political platforms into fuel for the pyre on which Democratic principles were sacrificed. Recall, my Democratic friends, if your consciences will permit, the useless offices which you have created during this Congress; and if you can endure it, recall, also, the fact that in creating them you have also destroyed another plank of the Baltimore convention, viz, the one whereby you were pledged to an observance of the civil-service laws of your country.

Those laws have been shamelessly violated.

Tried and efficient employees have been severed from the service and their places filled under the spoils system. This has resulted in great extravagance, for the Government has been made to pay political debts.

After the Underwood tariff bill was enacted into law prosperity did not leap and bound throughout the length and breadth of the country. In spite of the President's threats to "hang as high as Haman" the wicked business men who failed; regardless of the expressed determination of the Secretary of Commerce to investigate and prosecute manufacturers who closed their shops or reduced the number of their employees; notwithstanding the promise of the Secretary of the Treasury to send the public treasure into parts of the country where business, not money, was short, the wheels of industry slowed down, sales were lessened, collections were bad, empty cars accumulated, locomotives became "dead," idle labor commenced to draw its savings from the banks, and even the President recognized the situation, and, while he called the trouble psychological, he applied a material remedy and thus was born another article in the "New Freedom." He discovered that money made business, whereas theretofore it was believed that business made money. Industry could never be free, bouyant, and yet substantial until our iniquitous currency laws were remedied.

The President had no definite concrete knowledge of just what ought to be done about the currency, but he was sure that action of some kind must be taken to supplement his tariff law. Some of the men around him, however, knew what they wanted, and that was more money. Its kind and quality and the method of obtaining it were not so important as the amount. In 1896, when prices were ruinously low, they wanted more money to increase prices and open factories; in 1913 and 1914, when prices were exceedingly high, they wanted more money to reduce prices and open factories. In some mysterious and as yet undisclosed place a currency bill was prepared and then presented to the Democratic House caucus. It contained all the facilities for issuing a fiat inflated currency which were buried under the voters' ballots in 1896. It allowed bankers to deposit their own notes in their own vaults as the reserves upon which their defenseless depositors and the holders of their bank-note currency must depend for security. Its one clear aim was to increase the currency with too little regard for its quality or for the safety of depositors. It provided for sectional regional banks to be controlled by a partisan political Reserve Board.

Under the whip and gag of the party caucus the bill passed the House and came to the Senate, where it was referred to the Committee on Banking and Currency. On that committee were two Democrats, who, contrary to the desire of their Democratic colleagues, insisted on reading the bill before voting it out. These two Senators, together with the Republican members of the committee, and much to the disgust of the administration, found several hundred places in the measure which needed changing, and the changes were made. But those few changes did not make the bill good. Almost any change made it better. Every thoughtful man knew that the proper change was to strike out all after the enacting clause and insert a provision for one central government controlled bank, with branches wherever needed. But politics made it impossible to do the right thing, and the present law is the result. That it is sectional is shown by the fact that 2 of the 12 regional banks are located in one Democratic State. That it is possible to be controlled by partisan politics is demonstrated by the fact that the Federal Reserve Board is composed entirely of Democrats. That it is unable to meet the financial emergencies of the country is eloquently proclaimed by the fact that it is not taken advantage of by the administration in its present hour of distress, but reliance is had upon the condemned Aldrich-Vreeland emergency law. And even now a leading Democrat of the House is insisting that Congress proceed to amend this new currency law so that it can be made workable before adjournment.

The reserve board, being composed of experienced men, undoubtedly recognize the defects of the new law, and are striving to make it as harmless as possible before they put it in operation. It is an extravagant experiment, the expense of which must be met with this proposed unjust tax.

In connection with banks and currency, it is amusing, if not instructive, to refer again to the Baltimore platform and to the

record of the administration on this subject. You will recall that it condemns—

the present methods of depositing Government funds in a few favored banks in return for political favors—

And pledges the Democratic Party—

to provide by law for their deposit by competitive bidding in banking institutions of the country, State and national, without discrimination as to locality.

Have the former methods of depositing Government moneys in banks been changed? Has the party by law and practice provided for deposits by competitive bidding to the banking institutions of the country? Have State and national banks been treated with impartiality?

The Government moneys were as widely distributed under the former administration as they are under this one. I have no knowledge of any competition for deposits. I know of no State banks which have been favored. I do know, however, that the President gave as one of the reasons for passing the pending bill that he did not wish to withdraw the $75,000,000 of Government funds now with favored banks. He preferred to tax the people for additional funds rather than to withdraw from these banks money already paid by and belonging to the people. I am informed on good authority that 79 per cent of the $75,000,000 of Government money now in private banks is in the Southern States.

I do know from reliable reports that while at the beginning of this administration it was apparently unfriendly to banks and big business, it now is depending upon their counsel, aid, and support—that is, upon the counsel and support of some of them.

We do not now know all the story of the relations between the United States Treasury and the Riggs Bank, of this city, and the Kuhn-Loeb Bank, of Wall Street, New York. We do know, however, that all Government deposits have been withdrawn from the former and that additional deposits have been placed with the latter, from whose directorate a member of the Federal Reserve Board was selected. Are the administration's skirts quite clear from the suspicion of favoritism to a Wall Street bank? We shall know about this later.

The financial experts of the country know that the Glass-Owen bill, so called, will be an expensive luxury, and that it will not assist in opening or maintaining a single industry or in giving an additional day's work to labor. It may be all right when there is no unusual strain, but the Aldrich-Vreeland law will be used in cases of emergency.

Mr. SHAFROTH. Does not the Senator——

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Michigan yield to the Senator from Colorado?

Mr. TOWNSEND. I yield to the Senator.

Mr. SHAFROTH. Does not the Senator recognize that the operation of the Federal reserve act has not taken place because the directors of the Federal reserve banks have not been appointed as yet? Consequently the fund which is supposed to exist in the Federal reserve banks can not become available until the system is completed, which will be, probably, after a number of months have passed.

Mr. TOWNSEND. I said it was not in operation. It could have been in operation. The board could have been appointed months ago.

Mr. SHAFROTH. But the Senator must remember that there were delays. There was a delay in the Senate of months in respect to the confirmation of two of the members.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Minnesota?

Mr. TOWNSEND. I yield to the Senator from Minnesota.

Mr. NELSON. Those 12 Federal reserve districts were established as early as the 2d of April last, and yet the banks have not been put in operation.

Mr. TOWNSEND. There is not any question about it. It is the same old apology for delay that we had in the tariff law. They are not ready for it yet, and not ready for it because it is unequal to the emergency which exists. The Aldrich-Vreeland law must meet the situation, and that is clearly in evidence. The new currency law could have been put in operation if there had been a desire to do so.

After the currency bill became a law business did not pick up, as the proponents of the measure claimed it would, and the third article of the "New Freedom" was proposed, a commission which will cost the Government hundreds of thousands of dollars, to say nothing of the cost it will impose upon industry, was created by law. This commission is vested with the legislative, judicial, and executive functions of declaring what is unfair competition, of interpreting their own declarations, and then of enforcing the law they thus make. It was intended by the President to encourage and give confidence to business, and to that end a horde of political spies are to prey upon business men. Like the rain and the dew, they will fall upon the just and the unjust. They may say to this one, "Go on," and he may continue, and to this one, "Stop," and he must desist. Its ipse dixit will have the full force and effect of law.

Mr. President, if we had not been engaged in party discussions when the Trade Commission bill came up, I do not believe there is a Senator in this body who would agree that to grant such a power either to an individual or to a commission is wise under a republican form of government.

There were two parts to this third article; indeed, originally, there were three, but the third and only worthy one of the number apparently has died "a bornin'." The second part is known as the Clayton bill. As the conferees have shaped it, it is a sop to labor and the people and largely innocuous to trusts and combinations. Indeed, I believe it is welcomed by the trusts. The change of spirit toward banks and big business by the administration is reflected in the conference report on this Clayton bill. The modesty of the trusts would scarcely have allowed them to write a more favorable measure if they had been permitted to do so. The false hope of labor leaders that they have received substantial class benefits will end in disappointment. Legitimate business will receive no benefit, and illegal trusts and combinations will have the satisfaction of knowing that the antitrust law has been so complicated with new uncertainties that years will again be required for the courts to resolve the doubts.

The third article has just been written, and the Congress has the satisfaction of knowing that the orders of the President up to date have been obeyed. The constitution of the "New Freedom" has been adopted, even though no one knows what it means or what its results will be. All do know, however, that it will be expensive and that one of its results is this proposed tax burden upon the people.

Mr. President, this inexcusable tax levy does not represent all nor the greater part of the financial burdens which have been placed by this administration upon the people.

The loss in business throughout the country during the last year has shown its disastrous effects upon the railroads. On July 12, 1914, the New York Times printed a table showing the number of idle cars during the first six months of 1913 and for the same period in 1914. This table shows that on July 1, 1913, or three months before the Underwood tariff became a law, there were 155,841 fewer idle railroad cars than there were on July 1, 1914, eight months after it became operative and one month before war in Europe was mentioned. The "empties" on July 1, 1914, would form a solid train reaching one-seventh of the distance around the world.

Now, a railroad makes its money hauling freight and passengers. If all of its equipment is constantly employed its earnings are greater than when part is idle, and the greater the number of unemployed cars the less the earning power, the less the ability of the company to pay wages and to keep abreast of needed improvements and technical development. It is claimed, and I think truly, that unless the railroads are prosperous no one is prosperous, but the reverse of that is equally true, viz, unless the people are prosperous the railroads can not and should not be prosperous. Since the present administration took charge of the Government the railroads have run up the flag of distress. They have pointed to their idle cars, their "dead" engines, and their debit balances, and have asked the President to intercede with the Interstate Commerce Commission to the end that their freight rates may be increased, and they have been successful in their efforts. Rates have been increased 2 per cent, with a fair prospect that another 3 per cent raise will be granted. Who is to pay this additional charge? The people, the consumers, the same folks who are to foot this $105,000,000 tax. Is anything to be done to increase the people's business, to restore the losses which they have sustained? Not a thing, except it be to cotton planters. I have not computed the amount of this extra tax on freight, but it will mount up into many millions. And this is not all. The Interstate Commerce Commission has said that conditions warrant the increase by common carriers of passenger rates, and in the East the increase has been made. More millions of taxes upon the public, and all because, I assert, of the extravagance and unwise legislation of this administration. How much better it would be to facilitate business than to increase freight and passenger rates. How much better to employ American capital and American labor in developing American resources than to levy a tax to support railroad equipment in idleness. Have we reached the point where by taxation we must make railroad business

profitable regardless of the profits of those who support that business?

Surely, Mr. President, the senior Senator from Mississippi was right when he declared on this floor that the poor old Democratic Party was incapable of running this Government. Its humiliating work during the last 18 months has furnished an incontrovertible demonstration of the truth of the Senator's admission. It is difficult, if not impossible, to discuss intelligently the pending bill in detail. The secret work of the Democratic caucus has just been presented to the Senate. I have had no opportunity to read it as yet. I am informed, however, that it is somewhat different from the House bill. When it is read for amendments, I shall, if I think it is advisable, discuss the items proposed for taxation. At this time I shall be content with these general observations upon the unwisdom, injustice, and want of necessity of placing any additional tax burden upon the people of the United States.

I conclude as I began, that this measure represents the result of 19 months of Democratic administration. It will stand as a monument to the incapacity of the party in power. In the Cleveland administration bonds were issued to meet the current expenses of the Government in a time of peace. After one year and a half of the Wilson administration a special tax levy of $105,000,000 is to be made, and this is but a part of the total extra tax represented by increased freight rates and other burdens that are to be imposed upon the people to meet the extravagant and unwise expenditures of this administration at a time when we are at peace with all the world. This is a record of which no party can be proud. It marks reaction instead of progress, and neither the European war nor any other extraneous matter should obscure the record. Partisan efforts will be made to justify that record with the people by placing false issues to the fore.

In the coming campaign the fact that war was actually declared upon Mexico when our Atlantic Fleet was ordered to Vera Cruz to avenge an alleged insult to our flag and when the militia in many States was ordered to be ready for war will not be mentioned by the defenders of this administration. They will claim that the President kept us out of war with Mexico. It is not true, as unbiased history shows. The Democratic campaign book will not quote from the eloquent speeches of Democratic Senators made on this floor the night that Vera Cruz was fired on and 19 brave American boys were killed and scores of Mexico's guiltless sons were shot down, for those speeches lauded the deed as a justifiable act of war. It will not state that it is no credit to this administration that more of our troops are not now in the Republic of Mexico, for war was practically declared by the President, and it would be raging to-day if three South American Republics had not used their good offices to avert it, or if Huerta had been strong enough to resist. It will not state that our ally, Villa, is still conducting a war in Mexico with arms obtained in the United States, and with its consent.

The fact that we are not involved in the European war will be the basis of Democratic arguments for political favor in the pending election contest, and the other equally evident facts, that there is no war party or sentiment in this country anywhere to-day and that any responsible official who willfully or recklessly involved us in that conflict would receive the righteous and just condemnation of the people, will not be mentioned. I do not know whether the coming campaign will be determined upon these false war issues or upon the real record, but some day, when the war clouds shall have lifted from the Old World, which, God grant, may be soon, the people of the United States will take an account of stock, and credit will be given where it is due and condemnation will be visited upon those who have checked American progress and prosperity. Time will make clear the cause and effect of existing conditions.

Mr. ASHURST obtained the floor.

Mr. SIMMONS and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Arizona yield; and if so, to whom?

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

Mr. SIMMONS. Mr. President, I ask unanimous consent, on behalf of the Committee on Finance, to report back favorably, with amendments, the bill (H. R. 18891) to increase the internal revenue, and for other purposes, and I submit a report (No. 813) thereon.

The PRESIDING OFFICER. The bill will be placed on the calendar.

Mr. SIMMONS. I ask unanimous consent to submit an amendment, which I had intended to do in the committee, relating to the tax on the manufacture of cigarettes, but which by inadvertence was omitted. I ask unanimous consent to submit it at this time, in order to avoid a reprint of the bill. I ask that the amendment be printed, and I shall offer it at the proper time.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

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

Mr. SMOOT. Mr. President——

Mr. ASHURST. I yield to the Senator from Utah.

Mr. SMOOT. I take it for granted that the Senator from North Carolina [Mr. SIMMONS] makes the request for immediate consideration of the bill with a view to having it made the unfinished business?

Mr. SIMMONS. That is my only purpose.

Mr. SMOOT. And not for the consideration of the measure to-day?

Mr. SIMMONS. No; if my request be granted, I shall immediately ask that the Senate lay the bill aside temporarily.

Mr. SMOOT. One other question. I wish to ask the Senator from North Carolina if he has made the majority report on the bill to-day?

Mr. SIMMONS. I have made the report for the committee.

Mr. SMOOT. I should like to ask the Senator if he will not have printed as a Senate document the estimated revenues to be derived from the bill as reported to the Senate? I suppose the committee have the figures in their charge. I think it would be a very great convenience to the Senate if those figures were printed in pamphlet form.

Mr. SIMMONS. I will state to the Senator from Utah that I have no objection to having printed the matter to which he refers. What I have just now is rather in a rough form, it having been hurriedly prepared, but I have an expert working on the matter in order that we may correct the figures where his estimates are not satisfactory. As soon as he has finished them—and I think he can finish them by to-morrow—I shall ask that the figures be printed.

Mr. SMOOT. The reason I asked the Senator from North Carolina the question was that if he had such information prepared I would not ask to have printed similar information which has been prepared for me.

Mr. SIMMONS. I will say to the Senator from Utah that I have the information prepared; that it was handed to me last evening.

Mr. SMOOT. And the Senator will ask to have it printed to-morrow?

Mr. SIMMONS. Yes; as soon as it is ready I shall ask to have it printed.

The PRESIDING OFFICER. The Chair understands that the proposition of the Senator from North Carolina [Mr. SIMMONS] is agreed to.

Mr. MYERS. Mr. President, I have had no opportunity to object. I understood that unanimous consent was asked, and I have not had an opportunity to object.

The PRESIDING OFFICER. The Chair understood that the Senator acquiesced.

Mr. MYERS. I desire to be heard.

The PRESIDING OFFICER. The Chair heard no objection at the time the request was made.

Mr. MYERS. I desire to ask whether the Senator from North Carolina made a request, or was it a motion, that the Senate proceed to the consideration of the revenue bill?

The PRESIDING OFFICER. It was a request for unanimous consent.

Mr. SIMMONS. I asked unanimous consent that the Senate proceed to the consideration of the bill. I wish to say, however, to the Senator from Montana that it is not my purpose, if the request is granted and the bill for which I ask consideration is made the unfinished business, to have it proceeded with this afternoon. I shall immediately ask to have it laid aside.

Mr. MYERS. Mr. President——

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina?

Mr. MYERS. I feel that I ought to object to the request. I feel that the conference report on the Alaskan coal-leasing bill ought to be made the unfinished business of the Senate. That conference report was made yesterday, and consequently comes in ahead of the revenue bill.

Mr. JONES. Mr. President, I wish to ask the Senator from North Carolina if we can not have an understanding with him that he will not ask the consideration of the unfinished business until we conclude the consideration of the Alaskan conference report? I think that that report ought to be disposed of very soon.

Mr. SIMMONS. I have no purpose in the world to interfere with the consideration of the report on the Alaskan coal bill,

and I made the statement to the Senator from Montana a moment ago that, if my request shall be granted, I shall ask unanimous consent to have the revenue bill temporarily laid aside so that we may go on with the conference report on the Alaskan coal-leasing bill.

Mr. MYERS. Mr. President, I had intended to move this afternoon that the conference report on the Alaskan coal-leasing bill be made the unfinished business, with the intention of then asking that it be laid aside temporarily until to-morrow. As I understand, the Senator from Idaho [Mr. BORAH] and others wish until that time to look into the matter, and so I had not intended to press the conference report this afternoon. I had, however, felt that it ought to be made the unfinished business. In view of the request of those Senators, I do not feel like pressing the consideration of the report this afternoon, but I will say that I should like to have it taken up and considered to-morrow immediately after the conclusion of the morning business.

Mr. SMOOT. Mr. President, I will say to the Senator from Montana, and also to the Senator from North Carolina, that I do not think there is any real necessity for any alarm over either of these measures. There will be no disposition whatever to defeat the consideration of them. So far as I am concerned, I am quite sure that the Senator from Montana will secure the consent of the Senate to take up and consider the conference report at some time to-morrow, and I am sure that it will not take very long to dispose of it. I am also just as positive that when that bill is out of the way the Senate will readily consent to consider the revenue measure and proceed with it in due order.

Mr. SIMMONS. Mr. President, I said, and I repeat, that I do not desire to interfere with the conference report on the Alaskan coal-leasing bill, but I do desire that the revenue measure shall be made the unfinished business.

The PRESIDING OFFICER. Does the Senator make that motion?

Mr. MYERS. It is not necessary for the Senator from North Carolina to make the motion, so far as I am concerned. I merely wish to utter a sentence. I do not intend to ask for the consideration of the conference report on the Alaskan coal-leasing bill this afternoon because, as I have said, the Senator from Idaho [Mr. BORAH], who is greatly interested in the measure, has asked that it go over until to-morrow, in order that he may look into it. He is not present, and I do not want to take any advantage of his absence. For that reason I will not ask that the conference report be taken up this afternoon, but I shall call it up and ask that it be proceeded with to-morrow after the close of the morning business. In view of the general statement of the Senator from North Carolina that he will then give way to it, I make no objection to his request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina to proceed to the consideration of House bill 18891? The Chair hears none.

Mr. NORRIS. Mr. President——

Mr. ASHURST. I think I have the floor.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. NORRIS. I desire to submit a request for unanimous consent.

Mr. ASHURST. I yield to the Senator from Nebraska.

Mr. BRYAN. I rise to a parliamentary inquiry. Is it not necessary for the Chair to lay the revenue bill before the Senate? That has not been done.

The PRESIDING OFFICER. The point of the Senator from Florida is well taken. The Chair lays before the Senate House bill 18891.

Mr. WEEKS. On behalf of the Senator from Illinois [Mr. SHERMAN] I ask unanimous consent to submit an amendment to the pending bill. I ask that the amendment be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 18891) to increase the internal revenue, and for other purposes.

Mr. SIMMONS. I ask unanimous consent that the unfinished business be temporarily laid aside.

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

COAL LANDS IN ALASKA (S. DOC. NO. 590).

Mr. NORRIS. Mr. President——

Mr. ASHURST. I yield to the Senator from Nebraska.

Mr. NORRIS. I ask unanimous consent that the Alaskan coal bill may be printed in bill form in parallel columns, showing the bill as it passed the House, the bill as it passed the Senate, and as it has been reported by the conferees.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

SOME ACCOMPLISHMENTS OF DEMOCRATIC ADMINISTRATION.

Mr. ASHURST. Mr. President, I have no disposition whatever to proceed now with my remarks if any Senator wishes to discuss the bill reported by the Committee on Finance a moment ago or if any Senator wishes to discuss the conference report on the Alaskan coal-leasing bill—I pause for a moment to ascertain—because I think the consideration of those measures is far more important than my speech. I do feel at this time, however, that it is incumbent upon some Senator on this side to make some reply to the jeremiad which has just been chanted by my distinguished friend the Senator from Michigan [Mr. TOWNSEND].

I take the Standard Dictionary of the English language, which I find on a near-by desk, and turn to the word "bias." I find that it indicates something—

> Running diagonally across the texture; cut slantingly, as a strip or band; said of cloth; in colloquial language used sometimes adverbially, as cut bias.

I also find this definition:

> Bias: A line, cut, or seam obliquely across the breadth of a fabric, * * * 2. A mental bent, inclination, or tendency; a prejudice or predilection, as in giving testimony; as a bias in his favor.

I can say, without injustice to my learned friend from Michigan [Mr. TOWNSEND], he is modest and that upon his unembarrassed brow nature has written "gentleman," but that he is a biased witness in favor of the Republican Party, and in view of the evident bias which he has made manifest in his speech just delivered, I deem it opportune at this hour to submit a few observations.

The Sixty-third Congress performed more laborious tasks than any other Congress that has ever convened. It was called upon to deal with more important domestic questions than any other Congress in the history of our country. In addition thereto, our Nation faced a grave crisis, as the European war is a calamity greater than has ever befallen humanity or civilization so far as history records, and our mind recoils from trying to picture the sacrifices of life which those responsible for this war have brought about.

President Wilson bravely faced this crisis of his administration and his feet trod the paths with marvelous circumspection at a time when a single misstep might have plunged our country into the maelstrom of war. It is interesting to reflect that many persons who complained loudly over President Wilson's policy of "watchful waiting" which prevented our being drawn into a bloody conflict in Mexico, now, much to their credit, approve his "watchful waiting." When a war breaks out some people say, "Well, it will not last long," but the truth is it lasts for all eternity for many men.

The President and the Congress have, above all things, remembered that it is our national duty to observe a strict neutrality among the belligerents, with all of whom we are at peace. We have observed an honest and rigid neutrality. Some persons have been inclined to criticize, deride, and ridicule our American diplomacy and to call it "the shirt-sleeve variety," because it is open, direct, and refuses to engage in intrigue.

Mr. GORE. And has not a dollar mark before it.

Mr. ASHURST. As the distinguished Senator from Oklahoma [Mr. GORE], who is a master maker of epigrams, says, it "has not a dollar mark before it"; but the bloody fields, the ruined towns, crowded hospitals, desolate homes, war taxes, the thousands of valuable lives lost, and the weeping and wailing of the widows and orphans in Europe speak eloquently in behalf of American diplomacy, rather than in favor of the secret, royal diplomacy of Europe. The truth is there are some diplomats who believe that diplomacy consists solely of negotiations in which there is an evasion in every phrase and a hidden snare in every proposition.

Mr. THOMAS. Mr. President——

The PRESIDING OFFICER (Mr. WEST in the chair). Does the Senator from Arizona yield to the Senator from Colorado?

Mr. ASHURST. I yield to the Senator from Colorado.

Mr. THOMAS. The statement of the Senator from Arizona reminds me very forcefully of a statement which I saw the other day. It was an extract from one of the London papers commendatory of the so-called American shirt-sleeve diplomacy. It declared that from now henceforth open, candid American diplomacy should be the only policy of all the nations; that the great conflagration now raging all over Europe, resulting in the destruction of so much property and so many lives, was largely the direct consequence of secret diplomacy, the making of

private agreements in conflict with open and apparently complete negotiations.

I think that no higher tribute can be paid to American diplomacy than the fact that in this great crisis in Europe the nation which is one of the foremost in intelligence recognizes and acknowledges that that which it once ridiculed and reviled is to-day the only sort of diplomacy that commands its confidence and support.

Mr. ASHURST. Mr. President, it is needless to say that I thank the able Senator from Colorado for this valuable contribution to my speech.

What a pity that Bryan's brand of diplomacy could not have been used in some of the chancelleries of Europe. Millions of people in Europe who are now arrayed against each other in battle have no knowledge as to why the war began or why it is being carried on. The United States is to-day practically the only first-rate power where the flame of civilization burns brightly and steadily.

When the famous dark day occurred in New England on May 19, 1780, it was the common belief that the end of the world had come. The Connecticut Legislature was in session and the house adjourned because of darkness and fear. Col. Abraham Davenport was asked whether the senate ought to adjourn also. He replied:

> I am against an adjournment. The day of judgment is either approaching or it is not. If it is not, there is no cause for an adjournment. If it is, I choose to be found doing my duty. I wish therefore that candles may be brought.

Another fine illustration of the right attitude was found in the recent action of the United States Senate. Early in last August millions of soldiers in Europe were fighting or preparing to fight, and the United States Senate was negotiating peace treaties. To the shortsighted man the debate of the Senate on the Bryan peace treaties seemed utterly absurd. The shortsighted man said, "Why talk of peace when millions of men are fighting?" Midnight darkness for the peace of the world and the Senate ratifying peace treaties seemed ridiculous. To the man of vision and foresight, however, it showed that the Senate did not believe that the end of the peace movement was at hand, and in any case believed it was its duty to go on with the work it was doing. Therefore the peace treaties were ratified with Italy and with 17 of the smaller nations of the earth.

In September similar treaties between this country and Great Britain, France, Spain, and China were formally signed. Germany, Russia, Japan, Turkey, and Greece have indicated their approval of the principle involved in these instruments and are expected soon to become parties to them. Thus within a period which will forever be memorable for its bloodshed the President and Secretary Bryan brought practically the whole world into an agreement that there shall be no hasty war so far as this country is concerned. By these treaties it is provided that all international disputes shall be referred to a permanent commission for investigation, and that in no case shall hostilities begin before the expiration of a year.

Somebody, I believe it was the New York World, has called these covenants "breathing-spell treaties," and that is precisely what they are. If there had been a "breathing spell" in Europe how differently history would have been written.

Mr. President, there exists every reason why we all may adopt a cheerful view of the future and find relief, as did the lover in Tennyson's grand poem, "Locksley Hall," who, when the fair one proved faithless, after a tumult of conflicting emotions—indignation, grief, and despair—found relief in glowing visions of the future enterprise and progress of the world:

> For I dipt into the future, far as human eye could see,
> Saw the vision of the world and all the wonder that would be;
> Saw the heavens fill with commerce, argosies of magic sails,
> Pilots of the purple twilight, dropping down with costly bales;
> * * * * * * *
> Till the war drum throbbed no longer, and the battle flags were furled,
> In the parliament of man, the federation of the world.
> There the common sense of most shall hold a fretful realm in awe,
> And the kindly earth shall slumber, lapt in universal law.

A complete list of the achievements of the present Congress under the leadership of President Wilson is so long that it would be tedious to try to recount them, and I must content myself by referring hurriedly to the following:

By public appearance at the Capitol the President has emphasized the ending of government by secret conferences and private arrangement.

Modified self-government conferred on the Filipinos.

Divorcement of the Government from alliances with New York financial interests in international affairs.

Parcel Post System developed and extended, and express rates reduced in consequence.

Extension of pure-food and meat-inspection acts, with resulting benefits to consumers.

Armor Plate Trust forced to reduce its bids, at a saving to the Government of more than $2,000,000. Is that extravagance?

Post Office Department made self-sustaining. That is some more extravagance, I presume.

Extension of the special delivery system to the parcel post.

Home life of the farmer made a subject of special study by the Department of Agriculture.

Farm-extension measure, carrying to the farmers the benefits of the scientific study of experts.

Emphasis given by the President to the presidential preference primary plan.

Better protection for passengers and property at sea has been looked into, taken cognizance of, and will be enacted into law.

Enactment of the Alaskan railway bill, opening up Alaska, as promised.

Academic, vocational, and technical instruction for enlisted men in the Navy provided by Secretary of the Navy.

Dissolution of the Southern Pacific merger and surrender of stock held by Pennsylvania Railroad in its competitor, the Baltimore & Ohio, accomplished along lines agreeable to the administration.

Prosecutions begun against several large trusts which have not agreed to a settlement along peaceful lines.

A firm foreign policy—one of "watchful waiting"—which prevented war with Mexico, avoided the untold loss of lives, the demoralization of business, and a staggering debt, which always follows war.

A revision of the rules of business, without the usual and heretofore inevitable panic. As a result of the efforts of this administration the laws have been made the same for everybody, big and little, not by wholesale denunciation, but by peaceful and judicious means.

We have refuted and fully answered the oft-repeated taunts that the Democratic Party has not the capacity for solving questions requiring constructive statesmanship, and we call as witnesses the currency, the tariff, the income tax, the trust bills, and other wise legislation, measures that not only received the votes of Democrats, but the votes of Republicans and Progressives as well in both the Senate and the House.

Witness a tariff that compels the trusts to sell as cheaply to you as to the people of foreign lands, framed without concessions to special interests.

A currency law under which when you deposit your money in the bank you get it when you need it—one that prevents panics.

An income tax that places upon the rich some proportion of the $1,000,000,000 a year which is now the cost of maintaining the Federal Government.

Witness the Federal Trade Commission bill. One of the great issues in the last presidential campaign was whether the solution of the trust problem was to be found in the regulation of monopoly or in the regulation of competition. The Democratic Party declared itself for the abolition of monopoly and the regulation of competition. Regulation of competition means the prevention of competition that destroys for the purpose of gaining monopoly, and so is harmful to the public—the prevention, in short, for unfair competition. The Sherman Act is adequate for the abolition of monopoly; it is, however, but imperfectly adequate for the regulation of competition. The Sixty-third Congress enacted a law creating a trade commission which will properly regulate competition, and thus supplement the Sherman law and supply its deficiency.

Witness an arbitration act, providing for conciliation and arbitration in controversies between capital and labor, which has already been successfully employed.

An enlargement of the scope of the parcel post, which has reduced the cost of transportation and become a lasting and convenient instrument of benefit to the consumer and producer.

Under the recent antitrust bill, the conference report which was agreed to just the other day, the trusts are required to obey court decrees; abandon unfair, cut-throat competition; cease discriminating between purchasers of their goods; disgorge control of competitors acquired under "holding-company" system; surrender the enormous power wielded through interlocking directorates

The following are the teeth of the Clayton-Culberson antitrust law:

Labor, agricultural, and horticultural organizations not conducted for profit are exempted from provisions of the Clayton bill relating to monopoly.

Officers of corporations violating the trust laws can be fined and imprisoned.

Holding companies are prohibited where their effect is to lessen competition or create monopoly.

Interlocking directorates in competing corporations, any one of which has a capital of more than $1,000,000, are made illegal two years after the passage of the bill.

Interlocking of railroad directors are forbidden with corporations dealing in securities, railroad supplies, or contracts in excess of $50,000 a year, except where the transactions are shown to be by public competitive bidding or with the consent of the Interstate Commerce Commission.

In the Clayton-Culberson antitrust law just passed there is a laborers' bill of rights, for this law rejects the brutal doctrines that labor is a commodity such as coal, copper, wheat, and lumber. This bill declares "that the labor of a human being is not a commodity or an article of commerce."

Under this law judges are prohibited—

First. From issuing injunctions against persons on account of their ceasing to perform any work or labor.

Second. From issuing injunctions to prevent laborers from recommending, advising, or persuading others by peaceful means to cease work.

Third. From issuing injunctions enjoining laboring men from attending near a house or place where any person resides or works or carries on business or happens to be for the purpose of peacefully obtaining or communicating information or peacefully persuading any person to work or to abstain from work.

Fourth. From issuing injunctions enjoining laboring men from ceasing to patronize any party to a labor dispute.

Fifth. From issuing injunctions enjoining laboring men from recommending, advising, or persuading others by peaceful means so to do.

Sixth. From issuing injunctions enjoining laboring men from paying or giving to or withholding from any person engaged in any labor dispute any strike benefits or other moneys or other things of value.

Seventh. From issuing injunctions enjoining laboring men from peacefully assemblying at any proper place in a lawful manner and for lawful purposes.

Eighth. From issuing injunctions enjoining laboring men from doing any act or thing which might lawfully be done in the absence of such labor dispute by any party thereto.

Under this law laborers are allowed to do peaceful picketing and jury trials shall be had in cases where persons are charged with indirect contempt of court. These wise and just provisions have been placed into the law in order that labor may have an effective way in which to enforce its just demands.

It is very gratifying to state that upon the following additional important measures of interest to the working people of the United States the Sixty-third Congress, or the third session of the Sixty-second Congress, took complete and final action. It is additionally satisfying to say that this record is the best any Congress ever made in behalf of the organized labor forces of the country.

A national Department of Labor was created, the Secretary of same to be a member of the President's Cabinet. The first Secretary to occupy this honorable and responsible position was formerly the national secretary of the United Mine Workers of America and for six years a Member of the House of Representatives; during the last term of two years he was chairman of the House of Representatives Committee on Labor.

All contractors and subcontractors doing work for the National Government, as well as on naval contracts and fortification contracts, must hereafter observe the eight-hour day.

Eight hours per day will be the maximum hereafter for all post-office clerks, letter carriers, and employees in the railway post offices.

Workmen employed on levees and water fronts and dredge operators have had the eight-hour-day law extended to such employments.

The Bureau of Mines act was amended and strengthened, thereby tending to conserve the health and safety of coal and metalliferous mine workers.

The national law granting compensation for injuries to Government employees was extended to employees in the Bureau of Mines and to lighthouse employees.

The manufacture of white phosphorus matches has been prohibited.

A physical valuation law for steam railroads and express companies was passed.

Increased appropriations were obtained to develop rescue work in the Bureau of Mines.

The three-watch or eight-hour system in the merchant marine, applicable to masters, mates, and pilots, was established.

Wages were increased for all employees in the Naval Gun Factory and for the pressmen in the Government Printing Office.

Public construction in Government navy yards of naval vessels, transports, and colliers has been extended, in opposition to such construction in private shipyards.

A law was enacted by which a Children's Bureau was established which will be effective in conserving the best interests of the children by practicable and scientific methods.

Former Presidents Roosevelt and Taft were directly rebuked by Congress because of their arbitrary Executive order depriving Government employees of the right of petition, the right of organization, and the right of hearing in the case of a discharged employee of the Government. The full rights of citizenship have been restored thereby to all employees of the National Government.

One of the best reforms, however, that has been accomplished is that the more or less famous "twilight zone" in our laws has been removed; that is to say, there is now no middle ground where "special interests" and predatory "big business" can take refuge from the laws of both State and Nation and plunder the people.

Another of the most valuable reforms is that the present administration has applied publicity to everything. The radium of publicity will cure corroding cancers in the body politic.

I have referred to the Democratic campaign book. I will now refer to it again in propounding some questions which I wish the distinguished Senator from Michigan would answer. Before you have a right to criticize the Democratic Party we want first to know what you are going to do if you are returned to power, and we want to ask you these questions:

What is your program if you are returned to power?

What Democratic laws would you repeal?

Would you repeal the income tax?

Would you take a backward step on the parcel post?

Would you again put your O. K. on Schedule K of the Payne-Aldrich tariff?

Would you restore the panic-breeding currency laws that made possible the great industrial and financial disaster of 1907?

Would you repeal the agriculture extension bill?

Would you restore the tax of $120,000,000 a year on the sugar consumed by the people?

Would you again work the wireless between the "special interests" and the seat of government that was worked during previous administrations?

Would you establish the old partnership between rotten politics and rotten business?

Are you for the express companies or the parcel post?

Are you for a tax on sugar or a tax on wealth? The Republican Party levied a tax on sugar; the Democratic Party levied it upon the incomes of the rich.

You Republicans wish to keep your political past a profound secret. We Democrats seek by all means to publish ours to the whole world.

To the voters of the United States the Democratic Party says "Read our record."

To the voters the Republican Party says "Let us forget."

The Democratic record is one of faithful service. The recent Republican record is an inventory of past mistakes.

You say that we have stretched the Federal Constitution, but our reply is that the "reactionaries" stretched it to cover every dollar in the Nation and that we have utilized it to cover and protect every person in the Nation.

We simply ask the voters to read the record and then choose which of the parties he would have for a servant.

In bringing about these reforms, the Democratic Party, naturally enough, has not met with the approbation of all persons. I pause right here to say that in bringing about these reforms the votes of Republicans and Progressives in both Houses of Congress have been cast for the measures. As somebody well said not long ago, it is up to the other side either to quit voting for our measures or to quit abusing them. It is idle and vain, Mr. President, to expect unanimous approval, as that is not even within the domain of imagination. It is very difficult, if not impossible, for a considerable number of persons, howsoever sincere, to agree on any one large subject as to all its details. Many worthy citizens conscientiously differ from us and fail to see any real reforms accomplished by the present administration.

Moreover, any person can point out defects and abuses, but it requires true statesmanship to point out remedies. While in the minority, as it was for 16 years, the most important function of the Democratic Party was—as it is always the function of the minority—to criticize. The position of a Member of Congress in the minority under our American system differs from the duties of a Member in the majority. The minority must criticize and object, the majority must construct and create; in other words, it must steer the ship.

Any person can destroy, while but few can create. A boy with a hammer in five minutes may destroy a statue which cost years of labor to create, and yet that boy may not be able to build up a snow man. Venus de Milos and Venus de Medici can not be purchased with money, yet a boy with a hammer could in two minutes reduce them to fragments of marble worth not above $2.

A person with a brush and a pot of tar could mutilate, splash, and ruin the grandest painting ever placed upon a canvas, and yet such person might not be able to draw a caricature.

A hostile force could within a few hours wreck and destroy Westminster Abbey in London, the Prado Museum in Madrid, the Dresden Galleries, the Louvre, the Congressional Library and National Museum at Washington, all containing monuments and treasures that are the masterpieces of ages, held for posterity, and yet the all-destroying vandals might not be able to build a barracks for their own quartering.

In most all departments of life's work it is useless to point out an abuse or evil unless at the same time we are prepared to propose a remedy.

He would be a very strange lawyer who could not summon sufficient legal capacity to point out defects in the antitrust laws, yet he would be a rare and profound lawyer who could suggest a remedy that would render exact justice to all persons would achieve honor and imperishable renown.

We are all very slow to learn that at best the fruits of good government to us seem dim, abstract, far off, hazy, and nebulous. The fruits of good government and fair laws are justice, equity, civil, political, and religious liberty, peace, and equality of opportunity.

There are in the world tangible values—values that you can see, measure, weigh, analyze, mortgage, or sell; for instance, lumber, iron, paint, leather, copper, wool, horses, and cattle are tangible values. In other words, these things within certain limitations are susceptible of physical valuation. In the fever and hurry of the practical workaday world we are liable to forget that there are many things just as useful to mankind whose values are intangible and are not susceptible of physical valuation. Courts, assessors, and appraisers are unable to make any computations as to the amount of money value to be placed upon something which has an intangible value. Therefore at times some of the choicest and most precious fruits of just and beneficent laws have no tangible value; that is, no value that is measurable by money.

Justice, sentiments, character, credibility, peace, patience, prudence, moderation, magnanimity, courage, and ideals are all intangible values. You can not mortgage or sell these things, but their enjoyment may be curtailed or warped by unwholesome and unfair laws; just so, their enjoyment may be promoted by wise laws. Quite naturally enough there are, of course, in every nation, every government, and every political party those who see nothing but the tangible values and who are therefore seeking fruits of organization, special favors, pork-barrel legislation, and spoils. Moreover, many earnest people believe that the United States Treasury is a sort of national grab bag, and that it is a Senator's duty to grab all he can out of the bag for his own State; and those people who look upon the Treasury as a grab bag always seem to forget that the Treasury is replenished only by taxes levied upon the people. Many worthy people pay no attention to some of the intangible values and are utterly unable to appreciate them or are oblivious to them. Many, if not most, camp followers and reactionaries are prone to view these intangible values as mere floating phantoms or "the stuff that dreams are made on"; are prone to view peace, patience, prudence, moderation, equity, equality of opportunity, ideals, and sentiments as tolerable, indeed, but as a trifle too unreal, vague, unsubstantial, and illusory, for they can not be sold, delivered, hypothecated, nor made the subject of movements on the stock exchange. So whenever a government, a political party, a man, or a woman commences a movement for a larger liberty and a truer happiness for all the people such movement will sometimes be ridiculed and derided as of no particular value, because those who criticize or object are unable to comprehend anything except tangible values.

Intangible values make a nation great even more truly than does material wealth.

Let me ask, What is a nation? Is a man made or measured by his office, his contracts, his gold, his lands, or by the character that is his and the courage of his soul? Is a nation land and water, law books, and a treasury? Do government buildings, courts and congresses, armies and navies make a nation? These things, my friends, are but the garments, the decorations, the weapons of nationality. These trappings do not touch the essence of nationhood, which, like the essence of manhood and womanhood, is a purely spiritual thing. A nation is the composite soul of a people struggling to make itself immortal in the common good of all.

Soul and not goods is the test of the nationhood of a people. But what is the true measure of greatness? Is it a matter of acres? Was Greece small in the days of Pericles? Were the 13 American Colonies small in the days of Washington, Jefferson, Ben Franklin, and Patrick Henry? Can you weigh a nation in terms of transportation or by tonnage tables? Were the Egyptians building the Pyramids as strong as the Israelites carrying the Mosaic law across the desert? Does a nation's power consist of battleships and soldiery? Was the sword of Cæsar more powerful than the words of St. Paul? Is the accumulation of capital a security beyond the hour? Will John D. Rockefeller be remembered in history as long as John the Baptist? Was the rich pharisee as truly justified as the poor publican?

Sir William Jones, whose unremitting literary labors and whose vast knowledge of laws and language made posterity his debtor, still further increased civilization's debt to himself when he wrote that splendid poem, entitled "What Constitutes a State."

What constitutes a State?
  Not high-raised battlement or laboured mound,
Thick wall or moated gate;
  Not cities proud with spires and turrets crowned;
Not bays and broad-armed ports,
  Where, laughing at the storm, rich navies ride;
Not starred and spangled courts.
  * * * * *
  No; men, high-minded men,
  * * * * *
Men who their duties know,
  But know their rights, and knowing, dare maintain,
Prevent the long-aimed blow,
  And crush the tyrant while they rend the chain;
These constitute a State.

Hence it is that the beneficent effects of some of the wisest reforms accomplished by the present administration will not make themselves manifest immediately, but in the long years to come as time ticks on the people will gratefully remember this President and this Congress, for they have worked untiringly for the best interest of the American people, they have worked without a vacation, and with a sincerity and morality entirely new to our political life, and have valiantly striven toward national tranquillity, constitutional freedom, and all the noble sentiments and generous ambitions that adorn and elevate human nature.

IMPROVEMENT OF EAST RIVER AND HELL GATE, N. Y.

Mr. O'GORMAN. On behalf of the senior Senator from North Carolina [Mr. SIMMONS], who has been temporarily called out of the Chamber on official business, I desire to make a favorable report from the Committee on Commerce on Senate joint resolution 194, and I submit a report (No. 814) thereon. I ask unanimous consent for the immediate consideration of the joint resolution.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Is there objection?

Mr. SMOOT. Let it be stated, Mr. President.

The PRESIDING OFFICER. The Secretary will state the title of the joint resolution.

The SECRETARY. A joint resolution (S. J. Res. 194) authorizing the Secretary of War to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y.

Mr. SMOOT. Mr. President, I certainly want some information about this joint resolution before giving my consent to its immediate consideration.

Mr. O'GORMAN. I desire simply to make this statement: In the East River close to New York Bay there is a very dangerous reef known as Coenties Reef. It is a menace to navigation. In the recent rivers and harbors bill an ample appropriation was made for it. It went out, however, with so many others. There is an emergent need of some attention being given to the matter at this time, and the Commerce Committee of the Senate has favorably considered this joint resolution, which simply authorizes the War Department to avail itself of certain allotments made in a previous act. The joint resolution has the approval and, I think, the recommendation of the War Department.

Mr. SMOOT. I will ask the Senator if the report is unanimous?

Mr. O'GORMAN. Owing to its emergent character the committee has been polled. I think every Republican member of the committee has signed and every Democratic member who was available has signed, including the acting chairman, the Senator from North Carolina [Mr. SIMMONS]. The Senator

from Ohio [Mr. BURTON], who is thoroughly familiar with the improvement, took up the matter, and it was he who secured the polling of the committee.

Mr. SMOOT. In view of the statement made by the Senator from New York, I shall not object to the present consideration of the joint resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the Secretary of War is authorized and empowered to use any allotment made under the provisions of an act approved October 2, 1914, entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," for the improvement of East River and Hell Gate, N. Y., together with any funds heretofore appropriated for the said improvement and now available, for the removal of Coenties Reef to a depth of 35 feet below mean low water.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

LEON GREENBAUM.

Mr. O'GORMAN. I trespass upon the indulgence of the Senate for another moment to ask their consent for the passage of the bill (H. R. 10168) for the relief of Leon Greenbaum, reported from the Committee on Claims.

The beneficiary, while an employee of the Brooklyn Navy Yard and in the course of his duties, sustained an injury which involved the loss of a leg. The Committee on Claims has made an award of $2,500, and I ask that it be taken up for consideration.

The PRESIDING OFFICER. The bill will be read.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Claims with an amendment, on page 1, line 4, to strike out "$1,750" and insert "$2,500," so as to make the bill read:

Be it enacted, etc., That there be paid, out of any money in the Treasury not otherwise appropriated, the sum of $2,500 to Leon Greenbaum, of New York City, N. Y., to compensate him in full for all claims he may have against the United States arising out of injuries received by him while in the Government employ in the Brooklyn Navy Yard, Brooklyn, N. Y., in April, 1911.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ARTHUR J. FLOYD.

Mr. NORRIS. I ask unanimous consent for the consideration of the bill (S. 5497) authorizing the issuance of patent to Arthur J. Floyd for section 31, township 22 north, range 22 west of the sixth principal meridian, in the State of Nebraska.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to issue patent to Arthur J. Floyd for section 31, in township 22 north, range 22 west of the sixth principal meridian, in the State of Nebraska.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ROCKY MOUNTAIN NATIONAL PARK.

Mr. THOMAS. I ask unanimous consent to take up the bill (S. 6309) to establish the Rocky Mountain National Park in the State of Colorado, and for other purposes.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported from the Committee on Public Lands with amendments.

The first amendment was, in section 1, page 1, after the words "to wit," in line 5, to strike out down to and including the words "State of Colorado," page 9, line 10, and to insert:

Beginning at the southeast corner of section 34, township 3 north, range 73 west of the sixth principal meridian, Colorado, thence north along the section lines to the northeast corner of section 3, said township; thence west to the northwest corner of said section; thence north along the section lines to the northeast corner of section 16, township 4 north, range 73 west; thence west to the northwest corner of said section; thence north to the northeast corner of section 8, said township; thence west along the section lines to the northwest corner of section 7, said township; thence north to the northeast corner of township 4 north, range 74 west; thence west along the first correction line north, to the southeast corner of section 36, township 5 north, range 74 west; thence north along the range line to the northeast corner of the southeast quarter of the southeast quarter of section 13, said township; thence west to the northwest corner of the southeast quarter of the southeast quarter of section 14, said township; thence north to the northwest corner of the northeast quarter of the southeast quarter of section 11, said township; thence east to the northeast corner of the northeast quarter of the southeast quarter of section 12, said township; thence south along the range line to the southeast corner of said section; thence east along the section lines to the southeast corner of the southwest quarter of section 10, township 5 north, range 73 west; thence north to the northeast corner of the southwest quarter of said section; thence east to the southeast corner of the northeast quarter of said section; thence north to the northeast corner of said section; thence east to the southeast corner of the southwest quarter of the southwest quarter of section 2, said township; thence north to the northeast corner of the southwest quarter of the southwest quarter of said section; thence east to the southeast corner of the northeast quarter of the southwest quarter, said section; thence north to the northeast corner of the northeast quarter of the southwest quarter of said section; thence east to the southeast corner of the northeast quarter of section 1, said township; thence north along the range line to the northeast corner of section 36, township 7 north, range 73 west; thence west along the section lines to the intersection with the west bank of the Big South Cache la Poudre River in township 7 north, range 75 west; thence southeasterly along the west bank of said river to the mouth of a tributary of said river, probable in section 1, township 6 north, range 75 west; said tributary heading at La Poudre Pass in section 20, township 6 north, range 75 west; thence southwesterly along the west bank of said tributary to its head; thence across the Continental Divide to the headwaters of the North Fork of the Grand River, which also heads at La Poudre Pass; thence down the west bank of the North Fork of the Grand River to its intersection with the section line between sections 29 and 30, township 6 north, range 75 west; thence south along the section lines to the southeast corner of section 18, township 5 north, range 75 west; thence west along the section line to its intersection with the west bank of the North Fork of the Grand River; thence down the west bank of the North Fork of the Grand River to its intersection with the section line between sections 25 and 36, township 4 north, range 76 west; thence east to the northeast corner of section 1, said township; thence north along the range line to the southeast corner of said township; thence east along the township line to the northeast corner of the northwest quarter of section 4, township 3 north, range 75 west; thence south to the southwest corner of the northeast quarter of section 9, said township; thence west along the quarter section line to its intersection with a creek in section 7, said township, this creek being an outlet of Grand Lake, and flowing into the North Fork of the Grand River; thence southerly along the said creek to its junction with the North Fork of the Grand River; thence southerly along the west bank of the North Fork of the Grand River to its intersection with the township line between townships 2 and 3 north; thence east along the township line to the southeast corner of section 34, township 3 north, range 73 west of the sixth principal meridian, Colorado, the place of beginning: *Provided*, That the United States Reclamation Service may enter upon and utilize for flowage or other purposes any area within said park which may be necessary for the development and maintenance of a Government reclamation project.

So as to read:

That the tract of land in the State of Colorado particularly described by and included within metes and bounds as follows, to wit: Beginning at the southeast corner of section 34, township 3 north, range 73 west of the sixth principal meridian, Colorado, etc.

The amendment was agreed to.

The next amendment was, in section 3, page 13, line 13, after the word "such," to strike out the words "private claims or," so as to make the section read:

SEC. 3. That no lands located within the park boundaries now held in private, municipal, or State ownership shall be affected by or subject to the provisions of this act; but the State or any person, individual, or entity holding such title may surrender the same to the United States, the same thereby becoming a part of the park; and, upon the approval of the Secretary of the Interior, be granted, in lieu thereof, without regard to quantity or acreage, but on a basis of equal value, lands from the public domain of the United States situated elsewhere and not contained in any national forest or other reservation; or, with the added approval of the Secretary of Agriculture, may receive in exchange lands included within a national forest; or, upon proper conditions, dead, decadent, or mature timber from the national forests; or, when in the judgment of the Secretary of the Interior advantageous to the park, may receive the right to remove dead or decadent timber from the park area.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THOMAS HAYCOCK.

Mr. SMOOT. I ask unanimous consent for the present consideration of the bill (H. R. 2696) for the relief of Thomas Haycock.

The PRESIDING OFFICER. The bill will be read.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration. It proposes to pay to Thomas Haycock the sum of $500, to reimburse him for the sum paid by him to the Government in excess of the amount of the surety bond signed by him in behalf of the late postmaster at Tropic, Utah.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CHARLES S. WELLS.

Mr. SHAFROTH. I ask unanimous consent for the present consideration of the bill (S. 2287) to correct the military record of Charles S. Wells.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported from the Committee on Military Affairs with an amendment on page 1, line 10, after the words "eighteen hundred and sixty-one," to insert the following proviso:

Provided, That no back pay, bounty, pension, or other emolument shall accrue by reason of the passage of this act.

So as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws and the laws conferring rights and privileges upon honorably discharged soldiers of the Volunteer Army, Charles S. Wells shall be held and considered to have been honorably discharged from the military service of the United States as a member of Company F, Twelfth Regiment New York Volunteer Infantry, on the 26th day of December, 1861: *Provided*, That no back pay, bounty, pension, or other emolument shall accrue by reason of the passage of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Charles S. Wells."

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow.

Mr. SMITH of Georgia. I have a little bill which I should like to have passed.

Mr. SMITH of Arizona. And I have one also.

Mr. KERN. I will withhold the motion for the present.

GEORGIA RAILROAD & BANKING CO.

Mr. SMITH of Georgia. I ask unanimous consent to call up the bill (S. 926) for the relief of the Georgia Railroad & Banking Co.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $4,888.68 to the Georgia Railroad & Banking Co., formerly called the Georgia Railroad Co., for the balance due it for the transportation of the United States mails under contract prior to May 31, 1861, on routes Nos. 6136, 6143, and 6144, Georgia, said balance having been found due by the Auditor for the Post Office Department and reported to Congress by the Secretary of the Treasury in Document No. 297, first session Fifty-ninth Congress.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

RECLAMATION SERVICE.

Mr. SMITH of Arizona. I ask unanimous consent for the present consideration of the joint resolution (S. J. Res. 172) excepting the Reclamation Service from the operation of section 5 of the act of Congress approved July 16, 1914.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution, which was read, as follows:

Resolved, etc., That the provisions of section 5 of an act of Congress approved July 16, 1914, making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1915, and for other purposes, shall not apply to the purchase, maintenance, repair, or operation of any motor-propelled or horse-drawn passenger-carrying vehicles used or required by the Reclamation Service in connection with the construction, operation, or maintenance of any reclamation projects or works authorized or constructed under the act of Congress approved June 17, 1902, or acts supplemental thereto or amendatory thereof.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ASSAY OFFICE IN NEW YORK CITY.

Mr. SWANSON. There is a measure that I desire to have passed, which is very important. Congress made an appropriation of $607,000 to remodel the assay office and other offices of the United States Government in Wall Street, New York.

The PRESIDING OFFICER. What is the calendar number?

Mr. SWANSON. It is not on the calendar. I report back favorably without amendment from the Committee on Public Buildings and Grounds the bill (H. R. 13296) for the enlargement of the Wall Street front of the assay office. It was thought that the building could be remodeled, but the Secretary of the Treasury and the Supervising Architect, after examining into the matter, reached the conclusion that for the same amount of money it would be cheaper to demolish the building and erect a new one rather than remodel the old one.

A bill was introduced in the House and in the Senate authorizing the change from remodeling to a reconstruction. The bill passed the Senate and it is over in the House. The House passed an identical bill and it came to the Senate, and it is the House bill which I report favorably from the committee.

Mr. VARDAMAN. I should like to ask the Senator from Virginia when is the money to be spent?

Mr. SWANSON. The money has already been appropriated. Under the acts of March 4, 1911, and August 22, 1912, an expenditure of $607,408 was authorized for remodeling the assay office in New York.

Mr. VARDAMAN. How much has been spent?

Mr. SWANSON. Not any of it.

Mr. VARDAMAN. Why not postpone the expenditure until the times get a little better?

Mr. SWANSON. The money has already been appropriated, and it will never be used for any other purpose.

Mr. VARDAMAN. I think we ought to cut down our expenditures in such matters until after the European war.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

Mr. VARDAMAN. Yes; I object.

Mr. SWANSON. I will say to the junior Senator from Mississippi that the Secretary of the Treasury about a month ago wrote a letter to me urging the necessity of getting the bill through. He said that the quarters are crowded and that it is impossible to conduct the Government business properly there. If the Senator will permit me, I will state that the same amount of money will be spent to remodel the old building. The money has been appropriated to remodel it, and the only question is whether Congress shall authorize the construction of a new building instead of remodeling the old one. If Congress does not give authority, they will go on and remodel the old one.

Mr. VARDAMAN. With the suggestion of the department that there ought to be a new building erected they would hardly go ahead and remodel the old one.

Mr. SWANSON. They are directed by Congress to do so, and they will be disposed to do it unless authority is given to change the plan.

Mr. VARDAMAN. Mr. President, I am opposed to appropriating any more money or levying any more taxes.

The PRESIDING OFFICER. The Senator from Mississippi objects to the consideration of the bill, and it goes to the calendar.

BENJAMIN A. SANDERS.

Mr. SMOOT. I ask unanimous consent for the consideration of the bill (H. R. 12198) for the relief of Benjamin A. Sanders.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Benjamin A. Sanders, the sum of $1,000, in full compensation for injuries received by him on December 26, 1912, while in the performance of his duties as an employee of the United States Government, being principal of the Uintah Indian boarding school, Whiterocks, Utah, by a flying piece of a broken emery wheel used as a part of the equipment of said school.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

RECESS.

Mr. KERN. I move that the Senate take a recess until 11 o'clock to-morrow forenoon.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m. Thursday, October 8, 1914) the Senate took a recess until to-morrow, Friday, October 9, 1914, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, *October 8, 1914.*

The House met at 12 o'clock noon.

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

O Thou who art mighty to deliver, strong to uphold, deliver us, we beseech Thee, from evil and uphold us when we are right, that we may look back upon the proceedings of this day with an approving conscience, and Thine be the praise in Jesus Christ, our Lord. Amen.

THE JOURNAL.

The Journal of the proceedings of yesterday was read.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal be approved.

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

Mr. FERGUSSON. Mr. Speaker, on page 16271 of the RECORD of October 7 I am recorded as not voting. That is an error, and I ask that it be corrected.

The SPEAKER. Without objection, the correction will be made in the RECORD and Journal.

Mr. MANN. Mr. Speaker, the Journal has just been approved by a vote of the House.

The SPEAKER. It can be done by unanimous consent.

Mr. MANN. Can it be without reconsidering the vote by which it was approved?

The SPEAKER. You can do anything by unanimous consent.

Mr. JOHNSON of Kentucky. Mr. Speaker, in order that the gentleman may have an opportunity to have this correction made, I move to reconsider the vote by which the Journal was approved.

The SPEAKER. The gentleman from Kentucky moves to reconsider the vote by which the Journal was approved.

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

The SPEAKER. The gentleman from New Mexico asks unanimous consent to have the Journal corrected in the respect mentioned, which will be done without objection.

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the Journal as amended be approved.

Mr. LAZARO. Mr. Speaker. I desire to correct the RECORD. On page 16280 of yesterday's RECORD I am recorded as being absent. I was present all day, and voted on every roll call.

The SPEAKER. Without objection, the correction will be made.

Mr. RAKER. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. RAKER. After the approval of the Journal I desire to make a request for unanimous consent.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] moves that the Journal be approved.

The question was taken, and the Journal was approved.

EXTENSION OF REMARKS.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an editorial which was printed in the Washington Post of this morning on the President of the United States.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD by printing an editorial from the Washington Post about the President. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. JOHNSON of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short statement with reference to the distribution of some money, $66,000, to various tribes of the Lower Chinook Indians, after a lapse of 63 years, a portion of which, $1,500, must be returned to the United States because all members of one of the tribes, the Nuc-quee-clah-we-mucks, are dead.

The SPEAKER. Is there objection to the request of the gentleman from Washington? [After a pause.] The Chair hears none.

ORDER OF BUSINESS.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may proceed for five minutes.

The SPEAKER. The gentleman from California [Mr. RAKER] asks unanimous consent to proceed for five minutes. Is there objection?

Mr. MANN. Reserving the right to object, the gentleman knows a large number of the Members of the House desire to address the House on various subjects. There is no opportunity to do that, and I am not willing that one gentleman shall have that privilege to the exclusion of others, and I object.

The SPEAKER. The gentleman from Illinois objects, and that is the end of it.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed, with amendments, joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

H. J. Res. 241. Joint resolution for the appointment of four members of the Board of Managers of the National Home for Disabled Volunteer Soldiers.

The message also announced that the Senate had passed, without amendment, bill of the following title:

H. R. 11166. An act for the relief of Wilhelmina Rohe.

The message also announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 193. Joint resolution to authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BROUSSARD, for two days, on account of illness.

To Mr. FERGUSSON, for this week, on account of illness.

EXTENSION OF REMARKS.

Mr. THOMPSON of Oklahoma. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Oklahoma rise?

Mr. THOMPSON of Oklahoma. Mr. Speaker, I desire unanimous consent to extend my remarks in the RECORD on the cotton situation in the South.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD on the cotton situation in the South. Is there objection?

Mr. MANN. Mr. Speaker, I object.

The SPEAKER. The gentleman from Illinois objects.

Mr. BURNETT. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a speech delivered by Secretary of State Bryan last Sunday at the peace prayer meeting in New York.

The SPEAKER. The gentleman from Alabama [Mr. BURNETT] asks unanimous consent to extend his remarks by printing in the RECORD a speech by the Secretary of State last Sunday on the subject of peace. Is there objection? [After a pause.] The Chair hears none.

ANTITRUST LEGISLATION.

Mr. WEBB. Mr. Speaker, I yield 40 minutes to the gentleman from Arkansas [Mr. FLOYD].

The SPEAKER. The gentleman from Arkansas [Mr. FLOYD] is recognized for 40 minutes.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Oklahoma [Mr. THOMPSON] makes the point of order that there is no quorum present, and evidently there is not.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Fowler	Langham	Ragsdale
Ansberry	Francis	Langley	Rainey
Anthony	French	L'Engle	Reed
Ashbrook	Gardner	Lenroot	Riordan
Austin	George	Lever	Roberts, Mass.
Baker	Gerry	Lewis, Md.	Rothermel
Bell, Cal.	Gillett	Lewis, Pa.	Sabath
Britten	Gittins	Lindquist	Sells
Brodbeck	Goldfogle	Linthicum	Shreve
Broussard	Graham, Ill.	Loft	Slemp
Brown, N. Y.	Graham, Pa.	McAndrews	Smith, Saml. W.
Browning	Gregg	McClellan	Smith, Minn.
Brumbaugh	Guernsey	McGuire, Okla.	Smith, N. Y.
Burgess	Hamill	MacDonald	Stanley
Burke, Pa.	Hamilton, N. Y.	Mahan	Stephens, Cal.
Burke, Wis.	Hardy	Maher	Stevens, N. H.
Butler	Harris	Martin	Stout
Byrnes, S. C.	Harrison	Merritt	Stringer
Calder	Hart	Metz	Sumners
Callaway	Heflin	Morin	Taylor, Ala.
Cantrill	Helvering	Moss, W. Va.	Temple
Chandler, N. Y.	Hinebaugh	Mott	Townsend
Church	Hobson	Murdock	Treadway
Connelly, Kans.	Hoxworth	Neeley, Kans.	Tuttle
Connolly, Iowa	Hughes, W. Va.	Norton	Walker
Conry	Hulings	O'Hair	Wallin
Copley	Humphreys, Miss.	O'Shaunessy	Walters
Cramton	Kelly, Pa.	Paige, Mass.	Watkins
Doughton	Kennedy, R. I.	Palmer	Whaley
Elder	Kent	Parker	Willis
Faison	Kindel	Patten, N. Y.	Wilson, N. Y.
Fergusson	Knowland, J. R.	Platt	Winslow
Fess	Konop	Powers	Woodruff
Fitzgerald	Korbly	Prouty	Woods

The SPEAKER. On this vote 292 Members have answered to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

Mr. UNDERWOOD. Mr. Speaker, I understand that there are two hours and a half of debate yet on this bill. If we can maintain a quorum in the House for two hours and a half and get a vote, we can adjourn about 5 o'clock. If we have to call the roll every half hour during the debate, we will have to stay

here until 7. We will have to pass the bill to-day, and I hope we can hold a quorum in the House until the vote is taken.

The SPEAKER. Members very properly should remain in the House to-day. A filibuster can do no good then.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills and joint resolutions of the following titles:

On September 25, 1914:

H. R. 13219. An act to provide, in the interest of public health, comfort, morals, and safety, for the discontinuance of the use as dwellings of buildings situated in the alleys of the District of Columbia.

On September 26, 1914:

H. R. 15613. An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes.

On October 2, 1914:

H. R. 13811. An act making appropriations for the construction, repair, and preservation of certain public work on rivers and harbors, and for other purposes.

On October 5, 1914:

H. J. Res. 335. Joint resolution to amend an act entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war," approved July 21, 1914;

H. J. Res. 339. Joint resolution to correct an error in H. R. 12914; and

H. J. Res. 342. Joint resolution to correct an error in H. R. 12914.

On October 7, 1914:

H. R. 18732. An act to amend section 98 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911;

S. 5798. An act authorizing the health officer of the District of Columbia to issue a permit for the removal of the remains of the late Earl A. Bancroft from Glenwood Cemetery, D. C., to Mantorville, Minn.; and

S. 6440. An act to authorize the Chicago, Milwaukee & St. Paul Railway Co. and the Chicago, St. Paul, Minneapolis & Omaha Railway Co. to construct a bridge across the Mississippi River at St. Paul, Minn.

ANTITRUST LEGISLATION.

The SPEAKER. The gentleman from Arkansas [Mr. FLOYD] is recognized for 40 minutes.

Mr. FLOYD of Arkansas. Mr. Speaker, as one of the conferees on the part of the House, I desire to explain this conference report, the changes made therein, and the reasons leading up to those changes, and incidentally to answer some of the criticisms that have been spread broadcast over the country with regard to the action of the conferees and in regard to the report. I desire to read one of those criticisms, which was published in the Washington Post the morning after the conference report was approved by the Senate—a news item in that paper—and I read it because it is but a reflection of criticisms that have been sent broadcast all over the country. It is as follows:

REWRITE ITS DEFINITIONS.

As the bill passed the Senate it fairly bristled with penalties. The conference report, with rare exceptions, changed provisions for fines and jail sentences to declarations that the acts described "shall be unlawful." Besides taking the "teeth" from the measure in this direct manner, the conferees rewrote most of the definitions of illegal acts, broadening them and adding exceptions to such extent that the former precise and definitive sections have become diffuse and susceptible of interpretation only by a court.

Now, in view of that criticism of the action of the conferees, in justice to the conferees I think it but fair to state the facts as to the condition of the bill as it came from the Senate and reached the conferees. In conference only one criminal penalty was eliminated, and that was in section 2, which was inserted by the Senate. The section went out in conference and the penalty with it. That section related to patented articles only. It corresponded and was substituted for section 4 in the House bill after that section had been stricken out by the Senate. We insisted upon the restoration of section 4 of the House bill, which applied not only to patented but unpatented articles, and that section finally was restored as section 3 in the conference report, but without a penalty. The bill as it passed the House contained six sections that provided criminal penalties, namely, sections 2, 3, 4, 8, 9, and 12, the last section being commonly referred to as the personal-guilt clause of our bill. Sections 2, 3, and 4 of the House bill were stricken out entirely in the Senate, and by reference to section 9 of the House bill it will be seen that the paragraph relating to interlocking directorates of banks was stricken out by the Senate. In that condition the bill went to conference. The work of the conferees was therefore not a work of elimination, but a work of restoration. As conferees on the part of the House we insisted upon the restoration of those provisions which were contained in the bill when it passed the House, and finally, after more than two weeks in conference, it was agreed that sections 2, 4, and 9 of our bill should each be restored and the acts therein condemned should be declared unlawful, omitting the criminal penalties. Section 12 of the House bill, the personal-guilt provision of the bill, has not been disturbed. The penal provisions in new sections added by the Senate have not been disturbed, except in the one instance mentioned.

The bill as it comes to you to-day for consideration contains the substantive provisions of every section of the bill as it passed the House, with the exception of section 3, which was stricken out entirely; and it contains every substantive provision that was added by the Senate, with the exception of sections 25 and 26, which were stricken out in conference, and section 2, already referred to, which was also stricken out. So the bill as reported by the conferees embodies the comprehensive work of both the House and the Senate almost in its entirety. Yet certain gentlemen and certain interests in this country that for a year have been loudly protesting against the provisions in the bill as too drastic when certain criminal penalties have been stricken from it now seek to defeat the legislation by the clamor that the teeth have all been taken out of the bill.

Now, let us see whether they have or not. The bill is before you. Is it a small thing to say that an act or contract is unlawful, that an act or contract relating to business transactions is unlawful? Is that a small thing to say? The great body of laws which govern business affairs in this country are civil and not criminal laws. The rights of individuals in their most sacred relations in society and their property rights are protected and maintained by civil statutes. Is there no virtue in civil remedies in this Republic? Keep in mind that we have not disturbed the text of the Sherman law. We have not disturbed the penal provisions in the existing antitrust laws, including the Sherman law. We have, on the contrary, supplemented the penal provisions of the Sherman law and of other existing antitrust laws. Section 12 of the House bill, now section 14 of this bill, makes guilt personal—and it was retained by the Senate, retained by the conferees, and is in the bill reported by the conferees in the exact wording in which it passed the House.

Mr. BATHRICK. Will the gentleman yield?

Mr. FLOYD of Arkansas. I decline to yield just at this time. I will be glad to yield later.

Mr. BATHRICK. Just a short question.

Mr. FLOYD of Arkansas. Ask it.

Mr. BATHRICK. Section 14 is the personal-guilt section?

Mr. FLOYD of Arkansas. I will state to the gentleman I expect to discuss that section when I reach that point of my argument.

Mr. BATHRICK. Does that provide a penalty for section 2, the tying-contract section?

Mr. FLOYD of Arkansas. Not within itself; but I will explain that later.

So we did not disturb the Sherman law in its efficacy as a criminal statute; we did not disturb the penalties prescribed in the Sherman law. There are certain other criminal penalties in this bill that were not disturbed by the conferees.

And since the gentleman has asked me that question, I desire to take up now briefly that part of the report covering sections 2, 3, and 7. The first relates to discriminatory contracts, the second relates to tying or exclusive contracts, and the third to holding companies. It will be observed that these sections deal with contractual relations in commercial dealings. After the penalties were stricken out, the provisions of sections 2 and 3 were modified, because as criminal sections they were drafted with all the particularity of criminal statutes, the intent and purpose being included. But that is not the rule applicable to contracts. So when we decided that the acts forbidden, instead of being made penal and criminal, should be simply condemned as unlawful, a modification was made in harmony with principles governing the construction and interpretation of contracts.

We have been criticized for injecting or inserting certain words into sections 2 and 3 in conference. Where did those mysterious words "substantially lessen competition or tend to create a monopoly" originate? They were incorporated in section 8, the holding-company provision of the bill, as it passed this House. They passed muster in the Senate of the United States and were retained in the holding-company provision as it passed the Senate and were retained in conference. In modify-

ing and changing sections 2 and 3, so as to make the acts prohibited therein unlawful, without making them penal, it became necessary to change the wording of each, in other respects. We took the language that had been already approved by both the House and the Senate in another section, the one relating to holding companies, and applied it to sections 2 and 3, the latter corresponding to our section 4, so that the three sections, namely, sections 2, 3, and 7 of the conference report, are in harmony now, all dealing with the question of contracts, the same principle being applied to each one of them.

The gentleman from Minnesota [Mr. VOLSTEAD] criticizes this language and criticizes these provisions, claiming that we are in some way interfering with the operations of the Sherman antitrust law; at least he fears we are. Not at all. That language did not originate with our committee. That language originated from a discussion in the opinion of the Supreme Court of the United States in the case of the Addyston Pipe & Steel Co. against United States. The court, in discussing this very question of contracts, uses this language. I quote:

But it has never been, and in our opinion ought not to be, held that the word included the right of an individual to enter into private contracts upon all subjects, no matter what their nature and wholly irrespective, among other things, of the fact that they would, if performed, result in the regulation of interstate commerce and in the violation of an act of Congress upon that subject. The provision in the Constitution does not, as we believe, exclude Congress from legislating with regard to contracts of the above nature while in the exercise of its constitutional right to regulate commerce among the States. On the contrary, we think the provision regarding the liberty of the citizen is, to some extent, limited by the commerce clause of the Constitution, and that the power of Congress to regulate interstate commerce comprises the right to enact a law prohibiting the citizen from entering into these private contracts which directly and substantially, and not merely indirectly, remotely, incidentally, and collaterally, regulate to a greater or less degree commerce among the States.

Here is the origin of the application of that word "substantially" in the several sections referred to. And yet some criticisms have been published in the press to the effect that some sinister influence was brought to bear upon the conferees after the bill was sent to conference in order to induce the conferees to write those words into those sections after the penalties originally provided had been stricken out. Why the necessity of restoring these sections without penalties? In justice to the Senate of the United States let it be said that after section 5 of the Trade Commission bill had passed that body and had been approved by the House, condemning as unlawful all unfair methods of competition, the theory of the Senators was that these unfair methods would be included and cared for under the provisions of the Trade Commission bill. But that was not the view of your managers on the part of the House. Your conferees believed that in dealing with these contractual relations, the Supreme Court having held that Congress has the power to declare null and void any contract that substantially interfered with interstate commerce, but that the courts have no such power in the absence of an act of Congress condemning them, such contracts would be upheld in the future, not only by the commission but by the courts, until the legislative power of this Government declared them to be unlawful. We insisted that those three provisions be placed back in the bill, and finally they were placed back in the bill without the penalties. In answer to the gentleman from Ohio [Mr. BATHRICK] I will say for the things condemned in these sections, namely, the making of discriminatory contracts, the making of tying or exclusive contracts, and the making of contracts for unlawful acquisition of stock under section 7 no criminal penalty attaches, because those are not penal provisions of the antitrust laws; but they are still provisions of the antitrust laws, and every civil remedy that is applicable to any antitrust law may be invoked for their enforcement.

Now, I desire to consider each of those provisions in detail. Is there no power, no injury, no force in declaring a contract unlawful? Let us see what condition the trusts will find themselves in if this provision is enacted into law. A combination makes a contract in violation of any of these provisions. The effect of the contract is to substantially lessen competition or tends to create a monopoly. What is it worth? The maker of that contract can not enforce it in any court of law or equity. Is not that a strong and efficient remedy when the injured party is seeking his rights against the offending corporation? Is it not a stronger reason why one should refuse to enter into such a contract than a mere criminal penalty? In my State we have a statute against gambling. As an officer of the State I have prosecuted many persons for acts of gambling. But we have another statute that declares that all gambling contracts are unlawful, and the man can not be found in Arkansas who is fool enough to make a gambling contract. Why? Because he gains no right under it. The contract is worthless. He can assert no rights under it, and he can protect no rights under it.

Is declaring that a contract made under it is unlawful and taking away from the holder any right to enforce it either in law or equity taking the "teeth" out of the provision?

Mr. OGLESBY. Mr. Speaker, will the gentleman permit a question?

Mr. FLOYD of Arkansas. For a brief question, yes. My time is limited.

Mr. OGLESBY. Section 2, as it passed the Senate, prohibited tying clauses?

Mr. FLOYD of Arkansas. Yes, sir.

Mr. OGLESBY. The amendment substituted in conference says that such clauses shall be "unlawful where the effect of such lease, contract, or sale, or such condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce." That requires proof that all those conditions exist before there is any case.

Mr. FLOYD of Arkansas. Certainly; it requires proof by a preponderance of the evidence; but under the penal provision which was in the bill as originally drawn you would be required to prove each allegation with much more particularity and would be required to establish guilt beyond a reasonable doubt, and when you succeeded in convicting the guilty party the conviction would afford no relief to the injured party.

Mr. OGLESBY. But is not the clause put in by the Senate, which has been stricken out, much stronger and more direct in its operation, even without the penalty?

Mr. FLOYD of Arkansas. We did not so view it, for the reason that it was unfair. It was restricted to patented commodities. As we passed the bill through the House we intended to put the person dealing in patented commodities on the same plane and to treat him in the same way as the person dealing in unpatented commodities. The provision referred to is a copy of part of the English patent law, and it ought to be dealt with by the Committee on Patents, and not in a trust bill. Our duty was to restore, if we could, the provision of the House bill, and we succeeded in restoring it minus the penalty.

Now, that is the first point. The provision makes the contract void. Is that no advantage to the competitor, to the independent operator, to the man who has been oppressed and is being oppressed by these corporations? Why, since this conference report was submitted to the conferees a gentleman appeared in the Judiciary Committee room to protest against this provision, and he laid down a bundle of contracts, all containing this tying clause, this exclusive clause, and he protested against the restoration of the provision. He was asked if he enforced that exclusive or tying clause, and he said yes; that he had maintained in court 42 suits against customers for violating that condition in his contracts. If you pass this bill, he will never maintain another such suit, because such contracts will be void.

The gentleman from Minnesota [Mr. VOLSTEAD] holds that there is no necessity for this legislation, because he contends that all these acts, practices, and contracts herein forbidden are under the purview of the Sherman law now. But I read from One hundred and twenty-fifth Federal Reporter the syllabus of the decision rendered in Whitwell against Continental Tobacco Co. et al., being the utterance of Mr. Justice Sanborn, of the circuit court of appeals:

Held, The restriction of their own trade by the defendants to those purchasers who declined to deal in the goods of their competitors was not violative of the antitrust act.

Yet the gentleman from Minnesota [Mr. VOLSTEAD] contends that there is no necessity for this legislation because it is already contained in the Sherman law. It has never been held to be in the Sherman law. That kind of a contract is not condemned by the Sherman law unless it amounts to a restraint of trade. It is covered by the Sherman law if it amounts to a restraint of trade; but we seek to go further than that. These acts are made unlawful wherever the effect may be to substantially lessen competition or may tend to create a monopoly in any line of commerce.

If they in fact restrain trade, if they do in fact create monopoly, the contract is under the condemnation of the Sherman law now; but if it simply tends to a restraint of trade, if it merely may restrain trade but has not yet accomplished that result, it is not under the condemnation of the Sherman law at present, and we seek by this provision to make it so, and the same is equally true as to the other provisions referred to.

The penalties went out of these three sections; but, as a conferee of the House, permit me to say that when the bill reached

conference the sections themselves were out, with the exception of section 8 of House bill, now section 7 of this bill.

Section 9 of the bill as it passed the House related to interlocking directorates of three classes—railroads, banks, and other industrial corporations. In the Senate our provision relating to interlocking directorates of railroads was stricken out and a substitute added therefor, which is section 10 in the present bill and which we have accepted. Our provision in regard to interlocking directorates of industrial corporations was retained in the bill by the Senate without the penalty. Our provision relating to the interlocking directorates of banks was stricken out, and every line in the bill relating to banks was eliminated by the Senate committee and by the Senate. The House having expended more than $50,000 in the Pujo investigation, looking into this very question, we felt it our duty to stand for the restoration of that provision, believing such prohibition vital to the interests of the American people; and finally, after long controversy, the Senate conferees yielded, and the provision went back into the bill, making it unlawful for interlocking directorates to exist in banks whose deposits, capital, surplus, and undivided profits aggregate more than $5,000,000 and in cities whose population exceeds 200,000, and omitting the criminal penalties. Those are the facts in regard to this bill.

Mr. GOOD. Will the gentleman yield for a question there?

Mr. FLOYD of Arkansas. Certainly.

Mr. GOOD. When that clause of the currency bill was before the House, as I recall the facts, we were told that no provision would be placed in the bill with regard to interlocking directorates, because that would be taken care of, as far as the banks were concerned, in another bill. It seems to me that was the understanding on behalf of all the Members of the House.

Mr. FLOYD of Arkansas. In answer to the gentleman, not to take too much time on that question, I will say that was my understanding, and I think that was the understanding of the Members of the House. In a resolution adopted in our caucus the whole subject of interlocking directorates was referred to the Judiciary Committee, and we prepared those provisions in reference to interlocking directorates. We did not apply them to all banks, but to banks of a certain class, and the exceptions as to classes were made after a full hearing.

Now, first we condemn the act of the man who acts in this dual capacity as unlawful. Do you suppose any banker or high financier would serve as a director upon two boards when his service as such would be unlawful and would render him personally responsible for every act that he committed? Not at all.

Now let us consider the further remedy. There is nothing in these sections in favor of the corporation whose contracts are declared void, nothing in favor of any corporation violating the provisions of sections 2, 3, and 7 of this act, when you declare that every contract made involving the things herein prohibited is unlawful. When you do that you strip them of the greatest power that men ever enjoyed in a free country—the right and the privilege of going into the courts of their country and having the strong arm of the law enforce their contracts and their obligations. Is there no penalty in a statute that takes away such right? Which is the most severe, to forfeit a man's contract or to fine him when you can convict him? I did not object to these criminal penalties. They went out over my protest. But I have no sympathy with the idea that because the criminal penalties are omitted there is no virtue in the statute.

Under section 4 of the bill reported by the conferees any person injured in his business or property by anything declared to be unlawful in any antitrust law or by this act is entitled to go into any district court without regard to the amount in controversy and recover threefold damages. Is there any leniency in that? That is a reenactment of section 7 of the Sherman antitrust law. He is entitled to go into court and recover threefold damages. The contract by which he has been damaged is unlawful and the defendant can not protect himself under it. That is certainly an efficient remedy to the injured party.

That is not all. Under section 5 of the bill any private litigant injured by the unlawful acts of any corporation where the Government of the United States has proceeded against such corporation and obtained a judgment, either in a court of law or equity, is allowed the use of that judgment or decree to show the unlawful acts of the combination to the full extent that it would be an estoppel between the Government and the original offender. That is a new remedy never given to litigants before. The only difference between this and the House provision is that in this the judgment is made prima facie evidence while the House provision made it conclusive. The House provision applied only to suits hereafter brought, and the Senate provision makes it applicable to judgments, both criminal and civil, and gives it application to suits now pending in the courts in certain cases. The House conferees accepted the provision. That is a new remedy and a most efficient remedy. The Government of the United States, acting in behalf of all of its citizens, prosecutes a trust, convicts it either in a criminal court or a civil court, and the private litigant, injured by the unlawful acts of such trust, has nothing to do in order to recover the threefold damages except to prove the amount of damages and that the injury was done by this trust or corporation. It shifts the burden of proof and gives the litigant a great advantage.

But that is not all. In section 16, on page 20, is a provision that gives the litigant injured in his business an entirely new remedy, one that he never enjoyed before. Heretofore there has been only one power that might enjoin an unlawful trust or monopoly in restraint of trade, and that was the Government of the United States, under the direction of the Attorney General.

This provision in section 16 gives any individual, company, or corporation, damaged in its property or business by the unlawful operation or actions of any corporation or combination the right to go into court and enjoin the doing of these unlawful acts, instead of having to wait until the act is done and the business destroyed and then sue for damages. That clause in the provision of this bill makes it specifically applicable to sections 2, 3, 4, 7, and 8 of the bill; so that if a man is injured by a discriminatory contract, by a tying contract, by the unlawful acquisition of stock of competing corporations, or by reason of some one acting unlawfully as a director in two banks or other corporations, he can go into any court and enjoin and restrain the party from committing such unlawful acts or sue for his damages, without regard to the amount in controversy, and recover threefold damages. Teeth all taken out of the bill! We have taken, by these provisions, the business public into our confidence as allies of the Government in enforcing the antitrust laws, and given to the business men of the country who are being imposed upon by unlawful combinations remedies by which they can recover their own damages [applause] without waiting upon the slow and tortuous course of prosecution on the part of the Government.

But that is not all. There are several other remedies provided in this bill. Under section 11 the violation of sections 2, 3, 7, and 8 may be enforced, respectively, by the Trade Commission, by the Interstate Commerce Commission, or by the Federal Reserve Board. The manner in which the enforcement may be made by any party complaining or by the commission or board taking the initiative is fully detailed in the bill. The party injured can make his complaint to the proper tribunal, and the proper administrative board or commission provided for by Congress can investigate and make an order for the party to desist, and if he refuses to obey the order, the party complaining can go into court and have the Federal court issue an order for him to desist, and for the violation of that order the offender may be punished for contempt.

This remedy is not exclusive; it is cumulative. It is supplementary to other remedies granted, and it does not exclude the remedies that exist under the Sherman law, because under the provisions of the bill that is carefully guarded. It is an additional remedy; it is not an exclusive remedy, and it takes no remedy away from any person.

Mr. COOPER. Will the gentleman permit an interruption? He has reached one of the most important points in this discussion, and I would like to ask him a question.

Mr. FLOYD of Arkansas. I will yield to the gentleman from Wisconsin.

Mr. COOPER. The title of this act is "An act to supplement existing laws against unlawful restraint and monopolies, and for other purposes." If I understand the gentleman, it is his contention, in supporting this conference report, that the criminal clauses of the Sherman law are still in force and that this act simply supplements them?

Mr. FLOYD of Arkansas. Certainly; that is correct.

Mr. COOPER. And that those criminal clauses are not repealed?

Mr. FLOYD of Arkansas. They are not repealed in any sense, and I thank the gentleman for asking the question.

In section 11, as agreed to by the conferees, on page 18 of the comparative print, the following language is found:

> No order of the commission or board or the judgment of the court to enforce the same shall in any wise relieve or absolve any person from any liability under the antitrust acts.

And the "antitrust acts" include the Sherman antitrust law, and include the other acts specified in the first section of this bill, and include everything in this act. Who can contend in the face of that declaration, as the distinguished gentleman from

Minnesota [Mr. VOLSTEAD] did last night, that these provisions amend or affect adversely in some way the Sherman law? This saving clause completely settles that controversy as to any and all of the antitrust acts. These sections 2, 3, 7, and 8 are parts of this act, and this act and every section in it are declared to be parts of the antitrust acts.

The SPEAKER pro tempore (Mr. BORLAND). The time of the gentleman from Arkansas has expired.

Mr. WEBB. Mr. Speaker, I yield the gentleman 10 minutes more.

Mr. THOMPSON of Oklahoma. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. FLOYD of Arkansas. Mr. Speaker, I hope the gentleman from Oklahoma will withdraw his point of order for the present. I have only 10 minutes remaining.

Mr. THOMPSON of Oklahoma. Very well; I withdraw the point of order for the present.

The SPEAKER pro tempore. The gentleman from Arkansas is recognized for 10 minutes more.

Mr. FLOYD of Arkansas. Mr. Speaker, that is not all. It is contended, in effect, by the critics of this bill that as it finally comes from the conferees all of the criminal penalties were eliminated. That is not true. The Senate added a very important provision to cover a defect in the law developed in a celebrated investigation recently had of one of the great railroad corporations, where the officers and directors had misapplied certain funds. The Senate incorporated a provision making it unlawful for interstate railroad officers or agents to misapply or embezzle funds of the corporation, and a heavy penalty was imposed—not less than $500 and confinement in the penitentiary for not less than 1 year and not more than 10 years. That is in the bill.

It was not disturbed by your conferees. The House conferees accepted the provision without amendment.

Section 14 is a new section substituted by the Senate in lieu of our section relating to interlocking directorates of railroad companies. It contains certain provisions which your conferees believe in some respects were more effective than the House provision, and so we accepted the Senate provision, which deals with the prohibitions against railroads that have interlocking directorates, and a penal clause was attached thereto, undisturbed by the conferees, and is now in the bill. Let us see what that is. For the corporation itself a fine not exceeding $25,000 is imposed, and a fine of $5,000 and imprisonment for not exceeding one year, or both, is imposed against the individual officer or agent of the corporation that violates that provision of the law. Yet they say the teeth were all taken out of the bill by the conferees. But that it not all. The original personal-guilt clause of the House bill was embodied in section 12. It was adopted and was restored in committee, and it is now found in section 14 of the bill. It is in the exact words in which the provision passed this House. It will be remembered there was considerable controversy and debate over it, and I believe the final draft of the amendment adopted was made by the distinguished gentleman from Wisconsin [Mr. LENROOT]. The House adopted it, after a debate of several hours, with apparent satisfaction. The Senate amended it. The conferees insisted upon its restoration to the form in which it passed the House, and the Senate conferees yielded, and the personal-guilt clause of the original bill is in this bill and applies to all of the penal sections of the antitrust laws.

The gentleman from Minnesota [Mr. VOLSTEAD] says that it may repeal the Sherman law. It is the exact penalty provided for in the Sherman law, but it goes further than the courts have ever gone in convicting officers, directors, or agents for violation of the Sherman law. It provides that whenever a corporation shall be guilty of violating the penal provisions of the antitrust laws, the offense shall be deemed also the offense of the individual directors, officers, or agents of the corporation who have directed, ordered, or done, in whole or in part, any of the things that constitute a part of that violation. Is not that broader than the original law? In other words, under the Sherman law as it is now written you can convict an officer for violation of its provisions, but his acts must constitute the whole offense, or he must be a conspirator, and come within the rules of law governing conspiracies, but under this provision if he does any of the acts which constitute in whole or in part that violation, then he may be convicted as an individual.

Mr. RUCKER. Mr. Speaker, will the gentleman yield?

Mr. FLOYD of Arkansas. Yes; for a brief question.

Mr. RUCKER. The fine of $25,000 may be assessed against the corporation defendant, and then the personal fine may be assessed against and also the imprisonment imposed upon the individual acting for the corporation?

Mr. FLOYD of Arkansas. Yes.

Mr. RUCKER. By a separate prosecution?

Mr. FLOYD of Arkansas. Yes.

Mr. RUCKER. Does the statute make conviction of the corporation prima facie evidence of guilt of the officer?

Mr. FLOYD of Arkansas. I do not think it would in a criminal proceeding, and I do not think it should. I would not be in favor of having it do so. I think that any man charged with a crime, especially if the guilt of another is imputed to him, ought to have the right to go into court and have a trial of his own.

That is not all. There is great opposition to this legislation, but the remaining sections of this bill that I desire to mention and that I have not yet mentioned are the labor sections of the bill. I desire to communicate to the House of Representatives what I conceive to be the true situation in regard to the bill. The enemies of this bill, those who are fighting it, are not fighting it on account of what has been left out of the bill, but they are fighting it on account of what has been left in the bill, notably the labor sections of the bill. [Applause.] It is charged that the Democrats of the House, the conferees, and all connected with this legislation, are violating the pledges of the Democratic platform. The men who make that charge forget that labor and great labor organizations of this country have been knocking at the doors of Congress for 25 years, appealing for just legislation in behalf of labor. Here we have it satisfactory to labor, but the enemies and the opponents of the proposed legislation rarely say anything about that.

My distinguished friend from Minnesota [Mr. VOLSTEAD] criticized an amendment inserted by the Senate to the effect that the labor of a human being should not be considered a commodity or article of commerce. The Senate put that provision in, and the friends of labor in the House had no disposition to take it out, and it is there. But is labor a commodity or an article of commerce? Is the labor of a human being a commodity or an article of commerce? Has it been a commodity or an article of commerce since more than 50 years ago, when the greatest struggle that ever took place in this country shook the foundations of our country by a cruel four years' war? The shackles were then struck from 4,000,000 slaves in the South. And when since then has labor ever been a commodity or an article of commerce, except as the great corporations, North, South, East, and West, have sought by court proceedings and injunctions to put upon the laboring class of this country a species of constructive slavery almost as galling as was the chattel slavery of the South? [Applause.]

In view of this analysis of the provisions of this bill, the contention that the bill has been emasculated or that the teeth have been taken out of it is wholly unwarranted and utterly untenable. Here are the teeth that remain in the bill, and a full set of them:

First. Contracts discriminating in price between customers, where the effect of such discrimination may be to substantially lessen competition or tends to create a monopoly, are declared unlawful and are therefore null and void.

Second. Tying or exclusive contracts, where the effect of such contracts or any conditions therein may be to substantially lessen competition or tends to create a monopoly, are declared to be unlawful and are therefore null and void.

Third. Contracts for the acquisition of stocks of competing corporations engaged in commerce, where the effect of the acquisition of such stocks or the voting thereof may be to substantially lessen competition or to restrain trade or tends to create a monopoly, are declared unlawful and are therefore null and void.

Fourth. Section 4 provides that any person injured in his business or property by the unlawful acts of any combination or corporation may sue in any United States court without regard to the amount in controversy, and recover threefold damages for any loss or damage sustained.

Fifth. Section 5 provides that the final judgment or decree rendered in any criminal prosecution or suit in equity may be offered in evidence by any private litigant in suit against a corporation, and that the same shall be prima facia evidence against such defendant as to all matters respecting which such judgment or decree would be an estoppel as between the original parties thereto.

Sixth. The same section provides that whenever any suit or proceeding in equity or criminal prosecution is instituted by the United States to prevent or punish a violation of any of the antitrust laws, the running of the statute of limitations in respect of each and every private right of action under said laws shall be suspended during the pendency thereof.

Seventh. Section 16 provides that any person, firm, corporation, or association shall be entitled to sue for and have injunctive relief in any court of the United States having juris-

diction over the parties against threatened loss or damage by violation of the antitrust laws, including sections 2, 3, 7, and 8 of this act. This is a new remedy given to private litigants in this bill which they are not entitled to under the Sherman Act or other existing antitrust laws.

Eighth. Under section 11 of the bill any person injured in his business or property by any unlawful act forbidden in sections 2 and 3 of this act may complain to the Trade Commission for an order requiring the person violating any of the provisions of the preceding sections to desist therefrom; and upon refusal to so desist the order of the Trade Commission may be enforced in any district court of the United States having jurisdiction over the parties.

Ninth. Under the same section any person injured in his business or property by any unlawful act forbidden in section 7 of this act may complain to the Interstate Commerce Commission for an order requiring the person violating any of the provisions of that section to desist therefrom; and upon refusal to so desist the order of the Interstate Commerce Commission may be enforced in any district court of the United States having jurisdiction over the parties.

Tenth. Under this section any person injured in his business or property by any unlawful act forbidden in section 8 of this act may complain to the Federal Reserve Board for an order requiring the person violating any of the provisions of that section to desist therefrom; and upon refusal to so desist the order of the board may be enforced in any district court of the United States having jurisdiction over the parties.

Eleventh. Under section 15 of the act any person injured in his business or property by the violation of any of the provisions of this act may apply to the Attorney General of the United States, and the Attorney General or any district attorney, under the authority of the Attorney General, may institute proceedings in equity to prevent and restrain such violations.

Twelfth. Section 10 of this act forbids common carriers which have common directorates from having dealings, except as therein specified, in securities, supplies, or other articles of commerce, nor shall they make or have any contracts for construction or maintenance of any kind except by competitive bidding. Any common carrier violating the provisions of this section is subject to a fine not exceeding $25,000.

Thirteenth. The same section provides that any director, agent, manager, or officer of such corporation who shall violate any of the provisions of said section shall be subject to a fine not exceeding $5,000, or confined in jail for one year, or both, in the discretion of the court.

Fourteenth. Section 14 of this bill is intended to make guilt personal, and provides that whenever a corporation shall violate any of the penal provisions of the antitrust laws such violation shall be deemed to be also that of the individual directors, officers, or agents of such corporation who shall have authorized, ordered, or done any of the acts constituting in whole or in part such violation, and such violation shall be deemed a misdemeanor, and upon conviction therefor of any such director, officer, or agent he shall be punished by a fine of not exceeding $5,000, or imprisonment for not exceeding one year, or by both, in the discretion of the court.

Fifteenth. Section 9 makes it a felony for a president, director, officer, or manager of any firm, corporation, or association engaged in commerce as a common carrier, to embezzle, steal, abstract, or willfully misapply or willfully permit to be misapplied, any of the money, funds, credits, securities, property, or assets of such firm, association, or corporation, arising or accruing from, or used in such commerce, in whole or in part, or who willfully and knowingly converts the same to his own use or the use of another. The penalty for the violation of this section is a fine of not less than $500 and confinement in the penitentiary for not less than 1 year nor more than 10 years, or by both, in the discretion of the court.

Sixteenth. Section 12 provides that any suit, action, or proceeding under the antitrust laws against a corporation may be brought not only in the judicial district whereof it is an inhabitant, but also in any judicial district wherein it may be found and transacts business; and that all process in such cases may be served in the district of which it is an inhabitant, or wherever it may be found.

The provisions of the bill relating to labor greatly restrict the power heretofore exercised by big corporations and combinations over laboring men and labor organizations, often resulting in oppression to the membership of such organizations by the improper use of injunctions, and here are some of the teeth in the labor sections of the bill:

Seventeenth. The bill prohibits a corporation from obtaining and the court from issuing injunctions to prohibit any person from terminating any relation of employment.

Eighteenth. Or from ceasing to perform work or labor.

Nineteenth. Or from recommending, advising, or persuading others by peaceful means so to do.

Twentieth. Or from attending any place where any such person or persons may lawfully be for the purpose of peacefully obtaining or communicating information or from peacefully persuading any person to work or to abstain from work.

Twenty-first. Or from ceasing to patronize or to employ anybody who is a party to such dispute, or from recommending, advising, or persuading others by peaceful means so to do.

Twenty-second. Or from paying or giving to or withholding from any person engaged in such dispute any strike benefits or other moneys or things of value.

Twenty-third. Or from peacefully assembling in a lawful manner and for lawful purposes.

Twenty-fourth. Or from doing any act or thing which might lawfully be done in the absence of such dispute by any party thereto.

Twenty-fifth. Nor shall any acts specified in this paragraph be considered or held to be violations of any laws of the United States.

Twenty-sixth. Section 22 provides in cases of contempt in Federal courts that if the offense with which the accused is charged constitutes a criminal offense under the laws of the United States or under the laws of any State in which the act was committed the party accused shall be entitled to a trial by jury.

I must now conclude. I thank you.

Mr. THOMPSON of Oklahoma. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. THOMPSON of Oklahoma. To make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Oklahoma makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and twenty-two gentlemen are present—not a quorum.

Mr. WEBB. Mr. Speaker, may I ask for tellers on that count?

The SPEAKER pro tempore. The Chair will ask for a rising vote on tellers. Tellers are demanded by the gentleman from North Carolina.

Mr. BUCHANAN of Illinois. Mr. Speaker, I would like to ask what tellers are called on?

The SPEAKER pro tempore (after counting). Evidently a sufficient number. The question is whether the count of the Chair shall be verified by tellers. The gentleman from Oklahoma [Mr. THOMPSON] and the gentleman from North Carolina [Mr. WEBB] will take their places as tellers.

The question was taken, and the tellers reported 154 Members present.

The SPEAKER pro tempore. One hundred and fifty-four Members are present—not a quorum.

Mr. WEBB. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Ferris	Knowland, J. R.	Powers
Ansberry	Fess	Konop	Rainey
Anthony	Fowler	Korbly	Reed
Austin	Francis	Langham	Reilly, Conn.
Baker	French	Langley	Riordan
Bartlett	Gardner	L'Engle	Roberts, Mass.
Bell, Cal.	George	Lenroot	Rothermel
Bowdle	Gerry	Levy	Sabath
Britten	Gittins	Lewis, Pa.	Sells
Brodbeck	Godwin, N. C.	Lindbergh	Shreve
Broussard	Goeke	Lindquist	Slemp
Brown, N. Y.	Goldfogle	Linthicum	Smith, Md.
Browning	Graham, Ill.	Loft	Smith, Saml. W.
Burke, Pa.	Graham, Pa.	McAndrews	Smith, Minn.
Burke, Wis.	Gregg	McClellan	Smith, N. Y.
Butler	Gudger	McGuire, Okla.	Sparkman
Calder	Guernsey	McKenzie	Stephens, Cal.
Callaway	Hamill	MacDonald	Stevens, N. H.
Cantrill	Harris	Maher	Stringer
Carlin	Harrison	Martin	Sumners
Carr	Hayden	Merritt	Taylor, Ala.
Carter	Heflin	Metz	Temple
Church	Hinebaugh	Miller	Townsend
Clark, Fla.	Hobson	Mondell	Treadway
Claypool	Howell	Morgan, La.	Wallin
Connolly, Iowa	Hoxworth	Moss, W. Va.	Walters
Conry	Hughes, Ga.	Mott	Watkins
Copley	Hughes, W. Va.	Murdock	Whitacre
Decker	Hulings	Neeley, Kans.	Willis
Dies	Humphreys, Miss.	Nolan, J. I.	Wilson, Fla.
Doughton	Jones	Norton	Wilson, N. Y.
Elder	Kelly, Pa.	O'Hair	Winslow
Estopinal	Kennedy, R. I.	O'Shaunessy	Woodruff
Evans	Kent	Paige, Mass.	Woods
Faison	Key, Ohio	Palmer	
Fergusson	Kindel	Parker	

The SPEAKER. On this roll call 287 Members—a quorum—answered to their names.

Mr. WEBB. Mr. Speaker, I move that further proceedings under this call be dispensed with.

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

The SPEAKER. The Doorkeeper will open the doors.

NORWEGIAN SHIP "INGRID" (H. DOC. NO. 1172).

The SPEAKER laid before the House the following message from the President of the United States:

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State in relation to a claim presented by the Government of Norway against this Government on account of the action of the authorities of Hudson County, N. J., in holding for their appearance as witnesses in a criminal case in that county, in violation of treaty provisions between the United States and Norway, as the Norwegian Government alleges, three members of the crew of a Norwegian ship called the *Ingrid*, and I recommend that as an act of grace, and without reference to the question of the liability of the United States, an appropriation be made to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

WOODROW WILSON.

THE WHITE HOUSE, *October 7, 1914.*

The SPEAKER. The message and accompanying documents are ordered printed and referred to the Committee on Foreign Affairs.

ANTITRUST LEGISLATION.

Mr. VOLSTEAD. Mr. Speaker, I yield 30 minutes to the gentleman from Wisconsin [Mr. NELSON].

The SPEAKER. The gentleman from Wisconsin [Mr. NELSON] is recognized for 30 minutes.

Mr. NELSON. Mr. Speaker, the genial gentleman from North Carolina [Mr. WEBB], the distinguished chairman of our committee, tried to have some fun at our expense as he closed his speech—an excellent one, by the way, from his point of view. To illustrate our opposition to this bill, he told his Nancy candle story. As he was speaking it occurred to me there was another story that better illustrated the position of this side of the House. I was thinking of the college yarn with which he is familiar—the trick the boys tried to play upon the professor of entomology. They gathered together various specimens of bugs and bees, took the legs of one and the wings of another, likewise the eyes and various other parts of different species, and put these together so as to form an artificial but somewhat artistic specimen. Then they took it to the professor, who, by the way, was nearsighted, and asked him to tell them what bug that was. He put it under the microscope, examined it with great care, and then he said, "Boys, that is a humbug." [Applause on the Republican side.] Just so on this side of the House; we have examined this bill from many points of view. Some oppose it as an unjustifiable interference with business freedom, fearing its bad effect upon little business, medium business, and large business against which there is no just cause for complaint; and then there are those among us who oppose it because, looking to the final solution of the trust problem, we find that as an antitrust measure this bill is a makeshift, a sham, and a fake, and we agreed on the main proposition—that this bill is a humbug. [Applause on the Republican side.]

Mr. WEBB. Will the gentleman permit an interruption?

Mr. NELSON. I will.

Mr. WEBB. The gentleman understands, I suppose, that the chief difference between the bill as presented by the conferees and the bill as it passed the House is on striking out the four criminal penalties, sections 2 and 4 and the interlocking-directorate sections. The bill as it passed the House—my recollection is that a majority on the Republican side voted for it. Now I understand my friend is complaining that we have stricken out the criminal penalties in four sections, and because we have done that we have made it a humbug, notwithstanding the fact that we have filled the bill with civil remedies and thrown the doors of the courts wide open to the individual complainant who may be injured by any act denounced in sections 2 and 3 of this bill.

Mr. NELSON. Mr. Speaker, there are many things to say to that, but I do not wish to be diverted from my main line of talk. However, I will say that many Members of this House did not understand the bill. They had not time to look into it. It was a legal question; they assumed it was antitrust, and because of some features of the bill they voted for it. So did Senators. But did you notice on the roll call in the Senate that every Republican voted against it and six of your Democratic Senators registered their protest by voting against a caucus measure of this kind? The conference not only left out the penalties, but vitiated the legislation, in my judgment, in every detail.

Mr. WEBB. I think only three Democratic Senators voted against it.

Mr. NELSON. Six Senators voted against it on the motion to recommit, and four voted against it on roll call. I shall ask the courtesy of not being interrupted unless there is some personal question.

Mr. WEBB. I will not interrupt my friend again.

Mr. NELSON. I would be very glad to have my friend interrupt me if I had the time.

Now, seriously speaking, from my point of view, with reference to this Clayton bill as it emerges from conference in final form, expressing as it does the attitude of the party in power and the position of the President of the United States, for whom I have had a great deal of admiration and in the progressivism of whom I have also had a great deal of confidence, this measure is to me, and I believe will be to the country at large, a distinct and profound disappointment.

My point of view and my feeling in the matter may be understood if I may be pardoned a bit of autobiography. Twenty years ago, filled with the zeal, the enthusiasm, and the love of country common to American youth, I became the editor and part owner of a small newspaper published in my home city. About that time the late J. Pierpont Morgan had begun his extraordinary and successful efforts to form huge combinations throughout the country. I clipped news items from the great Chicago dailies, noting that he had formed now this trust and now that trust, and, using those items as texts, I proceeded as vigorously as I could to denounce Morgan's activities and to earnestly warn the people of this menacing trust evil. Somehow Morgan paid no attention to my youthful fulminations, nor did the people particularly sit up and take notice; but subsequently I was one of a half dozen young men in my home city that came together in the law office of a former Member of Congress, there formulated a platform, and pledged ourselves to begin a fight in State and Nation until every plank in that platform had been redeemed. If you wish to read the story of that struggle in detail, you will find it in Senator ROBERT M. LA FOLLETTE's Autobiography. Suffice it to say that I fought with the others in Wisconsin for 10 or 12 years. Nine years I have served in this House, and I ask the confirmation of Republicans and Democrats who have served with me of this statement, that I have pursued the straight course. I have been a fairly good bloodhound on the trail of the monopoly "octopus." [Applause.] I became the secretary of so-called Republican Insurgents. Insurgency led me into many difficulties; it endangered my political life, it brought about dissensions in my own party. We had to cut through the underbrush, the arbitrary rules of the House, and we had to level what we thought was the autocracy of the Speaker in order to get at what this bill purports to be—legislation against special interest and monopoly.

Now, after 20 years—and I have studied this question all along—I happen to find myself on a committee of the House, the Judiciary, charged with the duty and invested with the power finally to fix up the antitrust law so that private monopoly shall be destroyed in this country. I tell you it was with anticipations of great pleasure that I looked forward to real work on this great committee. I conferred with my other colleagues in the early part of the session, and they were imbued with the same thought. They said, "We are going to take the Sherman law and put teeth in it; we are going to adjust and strengthen its machinery; we are going to make direct and personal its penalties; we are going to do something effective to put an end to private monopoly in this country." The Democrats had had not only a patriotic but also a political reason for doing something effective on the trust question. Their platform specifically pledged them to destroy monopoly in this country. It said:

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal as well as the civil law against trusts and trust officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

But what happened, my friends? Why, about the Christmas holidays I was astonished and shocked to read in the newspapers interviews that proceeded from the White House, from Vice President Marshall, from Chairman Clayton of our committee, and from other leaders, all to the same effect, "Do not be alarmed, big business; we are not going to do anything radical."

What followed? When we first met in the Judiciary Committee room the chairman, Mr. Clayton, announced that "in this committee room partisanship has never been permitted to

enter, and would not." But after those interviews the attitude of the chairman and certain gentlemen on the committee surprised me. We have three subcommittees in the Committee on the Judiciary. Bills are referred to those automatically; but, mind you, on this great question, in which we are all so much interested, they went outside of the regular subcommittee and selected a partisan subcommittee, consisting of the chairman, the gentleman from Virginia [Mr. CARLIN], and the gentleman from Arkansas [Mr. LLOYD]—a legislative monopoly, a political trust. And I could feel at once—and we have all felt it here—that partisan barrier that shuts us out when it comes to legislation of this kind. And they usually make all-important legislation partisan legislation. Now, then, what had happened? No doubt the candidate, Prof. Wilson, academically intended to live up to the platform at Baltimore; no doubt Democratic leaders intended to destroy monopoly. It was a surgical operation that they had promised to perform upon Uncle Sam—cut out the roots of the trust evil, eradicate private monopoly entirely; but Democratic Party leaders blundered as usual. The first thing they did when they got in here was to administer to Uncle Sam a dose of tariff for revenue only, which upset his nervous system. It made him sick. It always has done so. He quit business. What else did they do? They passed a banking and currency act, which radically rearranged and changed his whole circulating system. In time Uncle Sam may get himself adjusted to the change, but immediately it put him flat on his back.

I tell you if there was not a panic in the country there was among the Democratic leaders in the House. They had their little conference somewhere, perhaps in the White House, where they agreed upon a program, namely, that inasmuch as Uncle Sam was too sick now to permit the performance of a surgical operation upon him they arranged to prepare some poultices and some mustard plasters for mild external treatment, and this is the poultice-and-mustard-plaster bill. [Applause on the Republican side.]

At that time, being much interested in the question, I was writing a series of articles on the trust problem. I have been some 25 years in active public life, and I knew what was going on; and just as soon as I noticed this I wrote the following article, which was published in many newspapers. I read it as it appeared in La Follette's Magazine of January 17, 1914:

THE REAL TEST IS COMING.

[By Representative JOHN M. NELSON.]

The question uppermost in my mind just now is, What will be the program of President Wilson for the solution of the trust problem? Everything depends upon his courage, patriotism, and determination. Congress is at his command. His party, feeding at his hands, will do his bidding. In the words of the sporting world, "It is up to the President."

At the opening of the session he told us that the subject of importance would be the trust question. His promised special message on this subject is expected after the holiday recess.

In the meantime the Judiciary Committee met and decided to begin hearings at once; but then the ranking Democrats were called into a conference with the President. Since that party consultation we have merely marked time. Only two persons have been heard—one for only 20 minutes. Evidently there has been a change of program or in tactics.

The explanation may be found in three words—fear of panic. In the lobbies we hear it; in the newspapers we read it. Assurances have been given out by Vice President Marshall and others that business interests need not be alarmed. Congress is in a panic, if the country is not. There is much talk of going slow. It is proposed to pass a few bills, such as making the penalties of the Sherman law personal and abolishing interlocking directorates, so as to make a showing of reform but not seriously disturb Wall Street. These gentlemen are not so much looking to the ultimate welfare of the American people as they are interested in maintaining the present political equilibrium.

I have faith that the President will not change his program for the sake of political expediency. Though he may deem it necessary to change tactics, I have every hope that he will not compromise with the enemy.

The 800 or more trusts that now dominate the industries of the country have great power, which they will not hesitate to use to embarrass the President and Congress. By merely letting out a few hundred thousand workmen the trusts can bring about critical conditions. It is true that in this situation the easiest road is that of compromise—to pass some halfway measures, and then try to make the people believe that the country has been relieved from the thralldom of the trusts; but let us hope that this will not be the policy of the President. May Woodrow Wilson face his duty with the spirit of Abraham Lincoln!

The situation is now critical. The President is face to face with his Goliath. The real test of the administration is coming upon the trust issue. For self-preservation and to maintain the monopoly privilege of exacting tribute the trusts will put up a fight that will try men's souls. Everything depends, therefore, upon what the President will say after the holiday recess upon the big problem of our day and generation—the monopolized money power of America.

Now I want to call your attention to what the Literary Digest said about that time. I could cite multiplied instances of the same character of statements. The Literary Digest is an independent and nonpartisan paper. This is from its issue of January 31, 1914:

PRESIDENT WILSON'S TRUST PROGRAM.

The surprise of President Wilson's trust message was its cordial reception by the organs and spokesmen of "big business." Here was the stage set for the beginning of a great conflict, and the whole Nation breathless with expectation. In the trust issue the administration was about to meet its most searching test, the President was face to face with his Goliath, and the public very generally shared the belief of Representative JOHN M. NELSON that "the 800 or more trusts that now dominate the industries of the country * * * will put up a fight that will try men's souls." Yet when the message is delivered we find bankers, railroad presidents, captains of industry, and even the New York Sun joining in the chorus of approval that greets its program for the further correction and prevention of corporation abuses—a program, it has been pointed out, which goes even farther than the antitrust promises of the Democratic platform. And while big business praised stock values sprang to higher levels.

What is the meaning of this strange development? the editors are asking. Has the President surrendered to the trusts or have the trusts surrendered to the President?

We had a perfunctory public hearing. This political trust, composed of excellent lawyers, but intense partisans, prepared five or six so-called tentative bills. They were submitted to us. We had, as I say, a perfunctory hearing; small retail and wholesale men came here to complain against certain provisions. It was unfair and unjustifiable interference, they said, with business practices against which there was no cause of complaint; and one by one these provisions were dropped out until there was not much left; and then, on account of the agitation of labor, they saw an opportunity to pass this program, to put a sop into it, and they pretended to give labor something by inserting a fake exemption of labor from the operation of antitrust laws and providing for some uniformity of court procedure in contempt cases. But this was done only at the last moment, and because some of us kept at them all the time and threatened to make it a party issue if labor was not taken care of. I resent the imputation that we are opposed to this bill because we are opposed to labor. We are friendly to labor, but we are opposed to being baited to swallow a thing of this kind as an antitrust measure. It is highly significant, let me add, that during all of our protracted hearings, and afterwards, I saw not the least sign of opposition to the passage of this alleged antitrust program by any trust or monopoly in the country. Not one octopus so much as grunted at it. Why should they? They had the assurance from the Democratic leaders higher up.

Now, I want to discuss this bill. I do not approve of its purpose. It is entitled "A Federal antitrust bill." It is presented as a Federal antitrust bill. It will be used in the campaign as if its framers had settled the trust question. It is a misnomer. They have not gone after the trusts. The sponsors of this bill do not claim they have gone after the trusts. They have not scratched the back of a trust, and they have not twisted a single trust's tail. [Applause on the Republican side.]

Mr. GORDON. Will the gentleman yield?

The SPEAKER pro tempore (Mr. MCGILLICUDDY). Does the gentleman from Wisconsin yield to the gentleman from Ohio?

Mr. NELSON. I regret I can not yield now.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. NELSON. They have not gone after the trusts. They have done what a leading Democrat said in another body—I wish I could name him, but under the rules I am forbidden to mention him by name—"have gone after minnows when the sea is full of sharks." They have dodged the trust question, and have assumed to go after little business practices outside of the sweep of the prohibitions of the Sherman antitrust law. This Democrat, too, said that the title of the bill ought to be changed so as to conform to its real purpose. Instead of its being entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," he suggested "An act to apologize to existing restraints and monopolies." The title adds the words "and for other purposes." Now, what is its chief purpose? Not the destruction of trusts, but to bring about "the atmosphere," to use the President's frank and felicitous language, "of mutual accommodation and understanding" between his party and certain powerful special interests. The chief captain of industry, the son, heir, and successor of my ancient friend, the late John Pierpont Morgan, has been recently invited to the White House, and other captains of industry have been invited there. To confer about what? About this legislation? The proposed increase of freight rates of 5 per cent? The sidetracking of the railroad securities bill, or generally how to protect the dear people from the exactions of monopolies in Wall Street? [Applause.]

Mr. Speaker, you have been a wronged man by your party. It was said of you when you were candidate for President—and I remember it well—that you were too genial; not firm enough; you might compromise on measures of this kind; and you might have certain affiliations with captains of industry and Wall Street; we would need some one with a jaw indicating uncompromising courage. Oh, they did not know you as we

know you. I remember distinctly when the gentleman from Massachusetts [Mr. GARDNER] and myself were constituted a committee to go from the insurgents to see you—the minority leader of the House—to find out how you felt about a change in the rules. It was suggested that you might not want to give up prospective power. We told you frankly what we came for and what we feared. You said, "Gentlemen, I will sacrifice anything of the prospective power of the Speaker to give freedom to the House of Representatives." [Applause.] And CHAMP CLARK has said on this trust question. "If I had my way, I would fill the penitentiaries and jails of the United States so full of trust magnates that their arms and legs would stick out of the windows," and he would have kept his pledge. [Applause.] At least he would not in a short time have inspired and approved this sort of a bill as a solution of the trust problem. He would not have been conferring with J. Pierpont Morgan and these other captains of industry in the White House in two years on pending legislation.

Mr. Speaker, this bill is a confession. It is a public confession, in my judgment, first, that the purposes of the Democratic Party, solemnly declared in their platform pledges, are always subject to the exigencies of political expediency. It is proof that Democratic statesmanship does not rise to the needs of our day and generation. And, lastly, it is a public confession of lack of courage; I do not wish to say of party cowardice, but I shall quote language which I shall adopt, the expressive language spoken by a great Democrat in debate on this conference report in another body:

> Oh, this is a great antitrust Congress! Compared with the Congress that put upon the statute books the Sherman Act, we appear as would a lot of wet nurses in comparison with soldiers on the field of battle, arms in hand. If we had the original Sherman Act before this Congress the "trust busters" of the present day and generation would shy like the country horse of 15 years ago did at the sight of an automobile.

[Applause on the Republican side.]

Again, speaking of the great Sherman law, he said:

> Well, old John Sherman and the Republicans of that day did pass that law. Their "little fingers were bigger than our loins." Theirs was the spirit of the eagle, ours that of the barnyard fowl.

[Applause on the Republican side.]

Mr. Speaker, as a conferee on the part of the minority, I can not agree to the conference report, and for the sole reason that I am heartily in favor of real antitrust legislation that shall make it impossible for private monopoly to exist in this country.

Having analyzed the many glaring defects of the Clayton bill as an antitrust measure, first in the minority views I filed from the Committee on the Judiciary and a speech I made upon the floor of this House, I do not now intend to discuss the conference report in detail, knowing that its adoption has been decreed by the powers that be as a part of a caucus program.

But, however futile it may be, when I think of the magnitude of the monopoly evil—800 trusts now before our very eyes exacting tribute from the American people in the form of high prices; when I think of the leaven of this evil in our industrial and political life, with who knows what disastrous effects; when I think of the solemn duty of the party in power, under its unequivocal platform pledges; when I think of its unequaled opportunity, its control of the Presidency and of Congress, to do something great and patriotic that will stand out as a monument to its membership in this Congress; and then when I think of this miserable makeshift, pretense, and sham, this so-called antitrust bill, my gorge rises and I can not resist the impulse to express my earnest, my indignant, even though it be a hopeless, protest.

Mr. Speaker, this is an impartial and well-balanced bill. Why, in this great issue of the people against the trusts the Democratic Party and its President have declared neutrality. They are impartial; they are on the fence. The bill is well balanced between the moral necessity, under a solemn party pledge, to do something to destroy monopoly in this country and the assumed political exigency that now exists of doing nothing or next to nothing. In every provision of the bill we find this balance structure. The people seem to get something in the first part of the section, and it is taken away from them in the latter part of the same section.

It was said of Agassiz, the great scientist, that he could take a single scale of a fish and at once tell you the name of the fish, because the whole was seen in its parts; others finding a tooth in some mountain cave can tell at once the name of the mammal in whose jaw the tooth had once been embedded. Now, I do not wish to trespass upon the time of others, and I have just time to take one tooth and analyze it to show you what it contains for the people and what for the trusts. There are only two of the original teeth remaining in this bill. One of them denounces discriminations in price. I will read it to you. It is fierce:

> It shall be unlawful for any person engaged in commerce either directly or indirectly to discriminate in price between different purchasers of commodities.

That looks savage, does it not? But now listen. If it has any virtue at all so far as monoplies are concerned, it is in the Sherman law, and the logic that caused them to pull out these other teeth would also exclude this. It is already within the sweep of the Sherman law. The Senate saw that, and so cut it out as worthless. But if it is not in the Sherman law it is in section 5 of the Trade Commission bill. It is an unfair method of competition.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VOLSTEAD. I yield to the gentleman from Wisconsin 15 minutes more.

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized for 15 minutes.

Mr. NELSON. It is an unfair method of competition. You can not get away from those propositions, and therefore it is under the jurisdiction of the Trade Commission. Therefore I say the people are not getting anything in this section not already in existing law.

Now let us see what the trusts are getting. They get all the rest. Anyone who has drafted legislation knows that an evil should be clearly defined and there should not be any exceptions. The Sherman law is an illustration of that, as is also the fifth section of the Trade Commission law. The prohibition of the law should sweep the field. When we make a lot of exceptions we acknowledge that we have not clearly defined the evil. Now listen to these 10 exceptions to that provision. You will find that the Democrats legalize here a practice which they have condemned on the part of Republicans every time a tariff bill has been discussed. The gentleman from New York [Mr. PAYNE] knows how they have denounced the practice of selling products abroad cheaper than at home, and how wrong it was to discriminate against Americans; but here they legalize that practice. Every trust can sell its products cheaper abroad, and it is legalized in this bill. Oh, it was not in the beginning. They had no such exception at first, but pressure was brought, and they modified this provision, so that discrimination is only forbidden in this country, but trusts can sell abroad cheaper than they do to American citizens.

Now comes a provision that has been discussed in both Houses, a provision of far-reaching consequence. Price discrimination is forbidden—

> Where "the effect may be to substantially lessen competition."

Now, try in your own mind to figure out the meaning of those words.

The word "substantially" is dangerous. We thought the word "unreasonable" was dangerous, but Chief Justice White, in the Tobacco case, went over that and showed that it was not intended to relieve trusts from the prohibition of the Sherman law, but simply to make the law workable, and we have no cause of complaint any more. But now they are injecting into all these provisions the word "substantially," and that is mighty dangerous, because these laws will be construed together. Now, the next phrase is:

> Or tend to create a monopoly in any line of commerce.

Not in any locality, not in any State; but unless they can show that there is a tendency to monopoly throughout the whole Nation or throughout the world, nothing can be done. See the difficulty of proving your case under this provision. Try to distinguish between that and the language of the Sherman law. My distinguished friend from Arkansas [Mr. FLOYD], in reading the case to which he referred, cited language that the Supreme Court had used in defining the Sherman law, and this language is tantamount to a restraint of trade. If it is not, I should like to have some able lawyer distinguish it. It is beyond my ability.

Again, as if these loopholes were not sufficient, they can discriminate as to "grade, quality, or quantity" of the commodity sold. What is possible under these loopholes? Again, they may allow for difference in "the cost of selling or transportation" or discriminate in price in the same or different communities "in good faith to meet competition." I have received a pamphlet—and perhaps you have all seen copies of that pamphlet—signed by the Independent Petroleum Marketers' Association, W. C. Platt, secretary, and the National Petroleum Association, C. D. Chamberlain, secretary and general counsel. These complainants are the independents who have to contend with the Standard Oil Co. Now, take these innocent-looking loopholes. I shall print the whole of this pamphlet, and I now ask per-

mission, Mr. Speaker, to extend my remarks by including this and other things.

The SPEAKER pro tempore. The gentleman from Wisconsin asks unanimous consent to extend his remarks. Is there objection?

There was no objection.

STANDARD OIL AND THE CONFERENCE REPORT ON THE CLAYTON BILL.

CLEVELAND, OHIO, *October 5, 1914.*

To the Congress:

If you want to legalize probably 75 per cent of the acts for which the Standard Oil Co. has been found guilty in many courts, then by all means vote for the conference report on H. R. 15657, better known as the Clayton antitrust bill.

If you want trusts and others to continue price discriminations without let or hindrance; if you want the Standard Oil Co. in the future to be invited by law to kill all its competitors by the simple expedient of cutting prices in their respective territories, then register a loud "aye" when your name is called on this conference report.

If you don't believe the foregoing, read the bill as reported by the conference committee, and read it with sane, honest, intelligent thought.

Here's what you will find:

Instead of forbidding that price cutting which is for the purpose of destroying a competitor, the conference committee permits a court to guess as it may see fit as to what will "substantially" lessen competition and "tend to create a monopoly." Why change from the wording that has been commended by many courts? Why open the door for a multiplicity of lawsuits, with every court permitted to differ from every other court?

Again:

Why introduce an element that varies with every company's business, to wit, the "selling" cost along with "transportation," as another aid to price discrimination? The oil men have been trying to tell you for nearly 10 months now that the Standard Oil Co. is whipping the devil around the stump on that word "transportation." The Standard says it includes cartage cost, but they make the cartage cost vary according to whether there is or is not competition; points of extreme competition find the cartage "cost" exceedingly low, despite high hills and winter snows. We, the independent oil interests of the country, want you to change that to "common-carrier transportation"; then we will have the variations in prices nailed fast. And yet, not satisfied with letting the Standard make its "cartage cost" farce, the conference committee adopted the Senate Judiciary Committee's proviso of "selling" cost. Do you appreciate that $5 a month more or less to station managers, so it might be alleged, would permit the Standard to vary its prices? Not a whole lot, but some, to which can be added a thousand and one little things which, if any Congressman ever had any business experience, he would quickly understand.

But come to the grand prize, to wit:

There being also allowed—in the event the Standard did not happen to get by on its cartage cost and selling charges—"discrimination * * * made in good faith to meet competition."

Why doesn't that say "competitor's prices," instead of just "competition"? Some good lawyer might reply that it would make the section redundant. So it would, because in meeting a competitor's prices, they being lower, the Standard, for instance, would be holding its business and not be laying itself liable to a charge of destroying that competitor's business. But here, under the kindly revised section, the Standard is selling 25,000 gallons of burning oil a day in a small town against a little independent's 500 gallons. The independent grows to a thousand gallons. Isn't he competition? Under this new section can't the Standard cut the bottom out of the market and keep it out until that independent has had to quit business? And can't the Standard commit this commercial murder and not only go unscathed by the the law, but have they not really been invited to do it by the Congress, as it were?

What does your "good faith" amount to in this clause? Hasn't the Standard in the above case done exactly what Congress would permit it to do, and there can be no question but what the Standard wants the business in all "good faith," and bad, too, for that matter?

But this applies to boots and shoes and sugar and corsets, coal and diamonds—so it does; but aren't the fundamentals of trade the same? Under the antidiscrimination law, which is on the statute books of a score of States and which has been passed upon by a number of supreme courts, can't a man conduct his business as he sees fit, as his needs may require, providing he doesn't reduce his prices in such a manner as will destroy the business of his competitor, providing, further, that he gives the benefit of any such cuts to all places where he is doing business. Any reason why the Cigar Trust stores should sell you two-for-a-quarter cigars in Washington at a cent each, charge your brother in Philadelphia 20 cents each, and your wife on your birthday in New York 30 cents each, all on the same day, providing some one else wasn't cutting the market at Washington to drive the Cigar Trust out of business?

Isn't all that any average fair business has fought for a chance to do business, free from molestation by highwaymen, on our commercial highways?

But how is any business not of the highwayman type going to get by, no matter how large its armed guard, if Congress enacts this section of the Clayton bill as revised by the conference committee?

Wouldn't Congress be lining the road with these highwaymen?

For nearly the past 10 years public opinion has been enforcing fair competition—measurably so—on the Standard Oil Co. and other trusts, and in that time the independent oil interests have grown from doing only 15 per cent of the business to nearly 40 per cent. There is now competition of some sort in a vast majority of the municipalities and districts of the country, and it is competition of the hardest kind, with the Standard Oil interests crowding the price down slowly but surely. However, it is quite noticeable that in the States having this antidiscrimination law the Standard is not—save in a few exceptions where it has tried on its "cartage-cost" plan—discriminating in prices, but in States that haven't this law it has, even to hemming in a small town with high prices while enforcing low prices there. The Standard may have reduced the cost to itself of petroleum and its products, but the Standard never reduced the cost of it to the public until it had to by this independent competition.

Gentlemen, this independent competition is now at your mercy. What you do with this particular section of this particular bill will go a long way toward continuing competition in the oil business or defeating it.

There is only one conclusion that can be drawn from the way the bill is written, and that is that the Standard Oil interests and trusts and organizations of similar character are the sole and only beneficiaries. It's a cinch the people are not.

A vote for the bill as now drawn is a vote against the small competitor.

For your "watchfully waiting" constituents,

THE INDEPENDENT PETROLEUM MARKETERS' ASSOCIATION,
W. C. PLATT, *Secretary.*
THE NATIONAL PETROLEUM ASSOCIATION,
C. D. CHAMBERLAIN, *Secretary and General Counsel.*

Mr. NELSON. So, Mr. Speaker and gentlemen, I invite your attention to this complaint, and it is a bitter complaint, showing what this bill is doing to the independents. Speaking of the last-named exceptions, these people ask:

Why introduce an element that varies with every company's business, to wit, the selling cost along with transportation as another aid to price discrimination? The oil men have been trying to tell you for nearly 10 months now that the Standard Oil Co. is whipping the devil around the stump on that word "transportation." The Standard says it includes cartage cost, but they make the cartage cost vary according to whether there is or is not competition; points of extreme competition find that the cartage cost is exceedingly low despite high hills and winter snows. We—the independent oil interests of the country—want you to change that to "common-carrier transportation." Then we will have the variation in prices nailed fast.

And, then, it says:

But come to the grand prize, to wit:

There being also allowed—in the event the Standard did not happen to get by on its cartage cost and selling charges—"discrimination * * * made in good faith to meet competition."

Again, it says:

Why does not that say "competitor's prices" instead of just "competition"? Some good lawyer might reply that it would make the section redundant. So it would, because in meeting a competitor's prices—they being lower—the Standard, for instance, would be holding its business and not be laying itself liable to a charge of destroying that competitor's business. But here under the kindly revised section the Standard is selling 25,000 gallons of burning oil a day in a small town against a little independent 500 gallons. The independent grows to a thousand gallons. Is not he competition? Under this section can not the Standard cut the bottom out of the market and keep it out until that independent has had to quit business?

Now, there are other exceptions. Trusts may "select their own customers," whatever that means, and it seems to me to be pregnant with possibilities. Finally, the penalty is cut out; they can do all these things, and the Trade Commission can only say, "You must not do it any more." Then there is the long delay in an appeal to the courts; and they go through the courts. And then what? There may be an injunction issued, but they have got away with the loot with impunity. I submit to any candid man the question, Where is the protection to the people of the United States? Where are the teeth in this section of the bill?

The prohibition upon price discrimination is now in the Sherman law, so far as restraint of trade goes or tendency to monopoly, and if there is an unfair method of competition beyond the pale of the Sherman law, it is certainly included in the unfair method of competition of section 5 of the Trade Commission bill, so that this section is not only unnecessary but it hamstrings both court and commission, for these loopholes are suggested and legalized.

I have now shown you the nature of its front tooth. It is hollow. The nerves have been carefully extracted. It is a show tooth, and no more.

The other provisions dealing with holding companies and interlocking directors are similar in substance and structure. "The effect" of violation must be "to substantially lessen competition or tend to monopoly," and the penalties are taken out, so that they may be violated with perfect impunity.

Look at the next provision, dealing with tying contracts. As the House passed the bill there was something to this section. The Senate struck it out and substituted the Walsh amendment. That was effective, but unfair to patented commodities; both had drastic penalties.

But the conference struck out the penalty and restored the House provision, with this language added: "Where the effect may be to substantially lessen competition or tend to create a monopoly in any line of commerce." As pointed out in the preceding provision, this makes the whole thing practically worthless, for it either is identical with restraint of trade under the Sherman law or so nearly the same that only the Supreme Court or the Lord can tell the difference.

Mr. Speaker, I have tried to indicate the nature of this bill by showing you some of its sample teeth. The Senate, I repeat, struck out three teeth of the House bill as perfectly worthless. Two of them were restored, but without the penalties.

I now desire to call your attention to section 25 of the Senate bill. This was rejected by the conferees. I call attention to this section because it so clearly proves my contention that the Democratic Party deliberately dodged the main trust issue. I read:

That whenever a corporation shall acquire or consolidate the ownership or control of the plants, franchises, or property of other corpora-

tions, copartnerships, or individuals so that it shall be adjudged to be a monopoly or combination in restraint of trade, the court rendering such judgment shall decree its dissolution and shall to that end appoint receivers to wind up its affairs, and shall cause all of its assets to be sold in such manner and to such persons as will, in the opinion of the court, restore competition as fully and completely as it was before said combination began to be formed. The court shall reserve in its decree jurisdiction over said assets so sold for a sufficient time to satisfy the court that full and free competition is restored and assured.

Now, the trouble with this provision, as the conferees saw it, was that it was too radical; that is, too effective. It was not a tooth; it was a horn—the horn of a wild boar or a rhinoceros. It would do deadly execution when directed against any trust. It might better be compared to a German 16-inch howitzer. It was a real trust buster. So the conferees dropped it out of the bill. What was the argument? Why, "It limited the power of the courts, and it might work injury to the stockholders of the dissolved trust." Think of it! The tender care for the innocent trust stockholder! What of the 90,000,000 of American people? Limit the power of the courts! Why not limit the power of the courts so as to prevent what was done in the Tobacco case or in the Standard Oil case? The court of appeals pursued a circuitous course, sometimes described as "whipping the devil around the stump," instead of carrying out directly the purpose of the Sherman law, dissolving these monopolies, so adjudged by the Supreme Court, and thus restoring in the oil and tobacco business free and full competition.

When it was evident that this Senate provision must go out an amendment was urged upon the conference, so that the section would read:

That whenever a corporation engaged in commerce shall acquire or consolidate the ownership or control of the plants, franchises, or property of other corporations, or of copartnerships or individuals, so that it shall in a suit brought by the United States be adjudged a monopoly or combination in restraint of commerce, the court rendering such decree, if practicable and necessary to the ends of justice, also decree the dissolution of such monopoly or combination, with the view of restoring competition as fully and freely as it existed before such monopoly or combination began to be formed. In the event that such full and free competition as provided herein is not restored within one year from the entry of the decree the court shall, if necessary to the ends of justice, appoint receivers to wind up the affairs of the monopoly or combination and cause all its assets to be sold in such manner and to such persons as will restore full and free competition, reserving jurisdiction over the assets so sold for such time as may be necesary to enable the court to enforce full and free competition as decreed.

The purpose of this proposed amendment was to settle the mooted question of the equity power of the court to partition and sell the assets of an adjudged monopoly. It also made certain the power of the court to give the trust a year's time to adjust its affairs to the requirements of the antitrust laws after it had been found guilty, and reserve the jurisdiction of the court over the assets of the corporation until it had satisfied itself that full and free competition had been restored as decreed.

The necessity for such a provision was urged upon the Judiciary Committee of the House most urgently by the well-known lawyer, Louis D. Brandeis, of Boston. On page 652, volume 1, of the hearings, Mr. Brandeis is recorded as follows:

Mr CARLIN. Mr. Brandeis, which of these supposed powers does the court not already possess?

Mr. BRANDEIS. In my opinion, the court possesses and has possessed all those powers, but the very learned circuit judges of New York who passed on the Tobacco case, in which I happened to be counsel for some of the defendants, were of opinion, apparently, that they did not possess those powers, and the very eminent counsel for the tobacco companies asserted most strongly that the court does not possess some or all of those powers.

As a matter of fact there was much discussion of the actual and almost the revolutionary character of the remedies which it was proposed that this court should exercise in carrying out the decree of the Supreme Court.

Unfortunately we did not have an appeal, as we should have had, from the decision of the circuit court judges. Because we did not have it, and because of the action there, and the fact that the judges were very eminent and were located in what is, perhaps, officially the most important circuit of the United States, it seemed important to make it desirable to set forth clearly the existence of these powers. If the court has the power, then no harm is done. If any judge shall be in doubt now as to whether he has the power or not, that doubt will be removed, and it is one of the great purposes which the President and all of us have been desirous of accomplishing in the removal of uncertainties in the law, and it has seemed to me it would be of great educational value, at least, to set forth these provisions distinctly in the law.

Then again, on page 679, Mr. Brandeis gives his reason:

Mr. BRANDEIS. I mean by machinery perfecting the remedies, and where it is necessary to protect the remedies by statute instead of by rule of court I would amend it by statute, and, if the situation is one of doubt, I would, in the exercise of the power which Congress has, instruct the courts as to what their powers may be, because you must remember that you gentlemen here are studying hard this question of the trust law. You are giving time and attention to this question. The courts have it, and it is one of many questions which come before the courts. You will be specialists in the law so far as it deals with trusts and monopolies and the Sherman law. They are not experts or specialists on this subject, and you ought to do what you can to make the machinery, such as it may be, an example to the country of how efficient legal machinery may be when the mind of man is directed to it.

Again, on page 689, I asked Mr. Brandeis this question:

How would you suggest a law controlling the matter of ownership of stock in competitive companies that would have prevented just what happened with the Standard Oil and Tobacco cases?

Mr. BRANDEIS. I have endeavored, in one of these provisions relating to machinery, to reach that situation by pointing out to the court that that was the kind of thing to do. What we contended for in that case, and what Mr. McReynolds when he was special assistant contended for, and what I contended for in that case, was that the court in dividing up the Tobacco Co. should refuse to allow anybody who held stock in one of those three segments to hold stock in either of the others.

Mr. NELSON. Do you think the court now has that power to prevent it?

To which Mr. Brandeis replied that he thought the court now had the power to prevent that. I then asked him what the court of appeals and the Attorney General held with reference to it. Mr. Brandeis replied:

The Attorney General expressed grave doubt about that power.

He went on to say:

It was contended in that case most strongly, by Mr. Choate and all the counsel for the Tobacco Co., that the Supreme Court held a different view, and quoted passages from the Harriman case and other cases in passing on the Standard Oil case, indicating that was the view of the Supreme Court. It seemed to me the contention was absolutely unfounded, but it satisfied the circuit judges, so they denied us the relief.

No amendment to perfect the provision was favorably considered by the conferees. Why this tender care, this gentle solicitude for the trusts? And this is a so-called Federal antitrust bill.

Mr. Speaker, in conclusion, I wish to call attention to the probable effect of this measure. I fear it will be bad, if not disastrous. It surely introduces uncertainty, confusion, and vexatious delay in the interpretation and the administration of the antitrust laws. It interferes with business, needlessly causing anxiety, uncertainty, and distress. No one can estimate the far-reaching effect of this interference. But the worst feature of it all is that the monopoly evil itself goes on untouched, so that this menace to our industrial and political life will be permitted to work out we know not what disastrous consequences.

The sum total, therefore, of Democratic legislation on the trust question is that another way has been provided, a roundabout way, for unwilling Attorneys General to whip the trust devil around the stump, "a primrose pathway of dalliance" for monopoly.

But this legislation may also prove disastrous for the party responsible for it, the party pledged unequivocably to enact legislation that shall make private monopoly impossible. What has it done? An analysis of this bill discloses that its trust legislation has been a process of bringing about "an atmosphere of mutual accommodation and understanding" between itself and big business.

Speaking now as a one-time secretary of the Insurgents of the House, I call your attention, you Democrats, to the fact that you are in power to-day by reason of your being the temporary beneficiaries of the Insurgent-Progressive movement inaugurated here a few years ago. I speak for myself, but I believe I voice the sentiment of all the Insurgents in Congress and in the country, when I say that after having seen what we have seen, and knowing what we know of Democratic performance of solemn pledges, we shall fight long and patiently within the conferences and conventions of our own party, the party of Lincoln [applause], that struck down slavery and set the black man free, the party of John Sherman, that put upon the statute books an antitrust law that Democratic statesmanship dare not even touch lest they mar its strength and symmetry, believing, as we do, that in the near future dissensions shall cease and the statesmanship of a united and harmonious grand old party will again be commissioned by the American people to guide the ship of state back to the quiet and happy haven of free, full, and fair competition in every field of trade and commerce.

There is no hope in Democracy. What we bolted was caucus rule and partisanship. But Democrats are the partisans of partisans and the slaves of the party caucus. We sought to overthrow a few leaders whom we thought were too loyal to special interests, but the Democratic Party as a whole has surrendered to special privilege. Why, Mr. Speaker, if there is any choice between courageous support of Wall Street and a craven surrender to Wall Street, I prefer the courageous leadership, because there is a chance to convert or change that leadership; but you can do nothing with a party that commits the unpardonable sin—the party that solemnly pledges itself to do the right thing and then deliberately and knowingly does the

wrong, a party that will sacrifice the salvation of the American people, its deliverance from the yoke of monopoly, upon the altar of partisanship for the sake of its one supreme god—party success. [Applause on the Republican side.]

The SPEAKER pro tempore. The gentleman yields back three minutes of his time.

Mr. WEBB. Mr. Speaker, I yield to the gentleman from Missouri [Mr. DICKINSON].

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent to extend my remarks on this measure in the RECORD, the time being so limited that I can not get an opportunity to fully and properly discuss it.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. I object.

Mr. WEBB. Mr. Speaker, there are a number of gentlemen on this side and a number on the other side who would like to extend remarks on this measure, and I ask unanimous consent that all gentlemen may have the privilege of extending remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent that all gentlemen who speak upon the bill may be allowed to extend remarks in the RECORD.

Mr. MANN. On the subject of the conference report?

Mr. WEBB. On the subject of the bill. I am not anxious to confine it to that if the gentleman does not want to confine it to that.

Mr. MANN. Mr. Speaker, I shall object to permission to extend remarks generally in the House until the cotton people have had a chance to debate in the House; but as to those who wish to extend remarks on this conference report, I have no objection.

Mr. WEBB. The gentleman from Missouri [Mr. DICKINSON] made that request.

Mr. MANN. I objected to the gentleman's request because I do not want to have the time of the House taken up with several gentlemen rising to make requests to extend their remarks in the RECORD, having had half a minute yielded to them.

Mr. WEBB. Mr. Speaker, I ask unanimous consent that all Members who want to extend their remarks upon this bill may do so.

Mr. BORLAND. For five legislative days.

Mr. WEBB. Yes.

The SPEAKER pro tempore. The gentleman from North Carolina asks unanimous consent that all gentlemen be permitted to extend their remarks in the RECORD on this bill.

Mr. MANN. For five legislative days.

The SPEAKER pro tempore. For five legislative days. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. VOLSTEAD. Mr. Speaker, I yield 13 minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, the indefensible character of this conference report on the Clayton bill has been so aptly, picturesquely, and vigorously described by distinguished Democrats, Progressives, and Republicans in another legislative body that it is difficult to do it justice in a descriptive way without being charged with plagiarism. Descriptive adjectives of criticism and condemnation have been exhausted by those who, having supported the measure in its earlier legislative stages, have found themselves in duty bound to vote against the report brought in by the Democratic members of the committee of conference. I mention this because it being contrary to the rules to quote these criticisms uttered in the Senate by men who are friendly to the avowed purposes of the legislation, I trust I may be excused if some of my characterizations of the nature of the report are somewhat similar to those which have been made elsewhere.

I voted for the Clayton bill as it passed the House, not because I approved all it contained, not because I believed it contained all the provisions it should, but because I did approve some of its provisions and hoped that its faults would be remedied and its shortcomings supplied. In this conference report hope is conclusively dashed and disappointed. I trusted that the measure would be so improved and perfected as to fully justify my former vote and warrant my further support of the measure. I now find I can not approve what has been done without being false to the opinions I hold as to the necessity for definite and effective legislation to prevent unfair and unjust practices which lead to and perpetuate monopoly.

The theory of this legislation was, as I understood it, to supplement and strengthen the Sherman antitrust law; to definitely prohibit and adequately penalize certain clearly defined acts and practices, evil and oppressive in their nature and harmful to the public interests. These objects were, to a certain extent at least, accomplished in the House bill. The legitimate objects of the legislation were, in some respects, further secured by the action of the Senate. We are now confronted with a conference report which emasculates the House provisions, nullifies some of the Senate amendments, and presents a measure which ought to be, and probably is, perfectly satisfactory to every trade shark and conspirator and every trust magnate in the land. [Applause on the Republican side.]

The conferees, without authority in my opinion, have stricken from the bill the penal clauses of its more important sections under which evildoers could have been heavily fined and sent to jail for persisting in the evil and unfair practices which the bill condemns. This most extraordinary and unusual action on the part of the conferees in robbing the bill of its penalties has been referred to elsewhere as "pulling its teeth." It is more than that; not only have the conferees pulled its teeth, they have trimmed its claws, and for its stern tones of warning and prohibition they have substituted a plaintive pleading which has elsewhere been likened to "the mewing of an anemic tabby cat." [Applause and laughter.]

The flimsy excuse for this unpardonable surrender is that these vicious and harmful practices are to be dealt with by the Federal Trade Commission. We can scarcely believe our astonished ears as we hear gentlemen high in Democratic legislative councils say that these sections were not intended to apply to trusts and monopolies, that "it was the common belief that the practices of actual trusts and monopolies are already amply taken care of by the law." May I inquire why this is called an antitrust bill, if we already have, in the opinion of the Democrats in responsible positions, adequate legislation affecting trusts and monopolies?

If the severe punishments which the House bill provided for the acts and practices it prohibited are to be eliminated because the Federal Trade Commission is expected to exercise jurisdiction over them, why confuse the issues by general prohibition of unfair practices in the Trade Commission bill and provisions in this bill denouncing certain specific acts and practices with no provision for their punishment? The inevitable result will be delay, confusion, litigation, and at the end of it all nothing more menacing to real wrongdoers than a polite notice to desist from their evil practices. This is the legislative "ring around the rosy" which we have presented to us as the final product of all the Democratic volleying and thundering against the trusts. [Laughter on the Republican side.]

Section 3 of the House bill, intended to prevent unfair practices, harmful to consumers, on the part of those engaged in the production and sale of coal, oil, or hydroelectric energy, has disappeared from the bill as completely as though it had never been a part of it. Amendments offered to recent water-power and leasing legislation in the House for the protection of users and consumers were voted down by the majority on the theory, and with the statement, that this legislation would provide the needed protection. Yet, lo and behold, these necessary protective provisions are lifted bodily from the bill with no other explanation than that these questions are so involved and complicated that there was not sufficient time to fully consider and wisely legislate with regard to them.

For a year and more the trade and business interests of the country have been in a constant state of alarm and terror as the Cossacks of Democratic radicalism have charged and countercharged with blare of trumpets and waving of banners, with declarations of implacable hostility to trusts and monopoly, and of fixed determination to put an end to all acts and practices in business which their medieval fancy disapproved. Their indiscriminate condemnation and Falstaffian fury inspired terror everywhere, but more particularly among those of energy and enterprise against whom no charge could be laid except that they had been successful. Honest and legitimate enterprise halted as the country awaited the expected blow, uncertain whether real wrongdoers and malefactors or inoffensive citizens and innocent bystanders were to be the most severely punished.

So far as the real offenders against sound public policy and real oppressors of the people are concerned, it is all over. The Democratic conferees have sounded the retreat; the raiders have been called in. Their trumpetings no longer alarm the real enemies of commercial freedom, and we behold these erstwhile terrors of the countryside for what they really are—tin soldiers with toy guns and wooden swords. [Laughter and applause on the Republican side.] Behold before you the trophy of their sham battling against the trusts and the trade oppressors—a soiled and trailing flag of truce and a declaration of absolution and immunity.

But how about the innocent bystander—the legitimate business enterprise, the undertaking to which fair practice, faithful and efficient service has brought success? Do they participate in the fruits of compromise and surrender? Not at all. They find themselves, in the words of a newspaper of this city, in "a vast labyrinth of prohibition and restriction, through which every concern above the level of a corner grocery will have to feel its way. The inevitableness of contravention of some clause by almost any business man is evident, until the whole field of affairs is plotted and mapped by means of administrative rulings and court decisions." The conference report presents, therefore, one of those strange anomalies of legislation through whose loopholes the real culprit may pass unscathed, but whose meshes tangle every footstep of the honest and well meaning who have the energy and enterprise to tread the paths of commerce where its snares are laid.

This conference report, if adopted, will not accomplish in advance the abatement of unfair and oppressive practices in trade and enterprise. It is, on the contrary, a backward movement; a confession of incompetency, if nothing worse; a confusion of the issues by the belated confession of its apologists and defenders. It is now not even claimed to be an effective instrument against trusts and monopolies established and intrenched or hereafter formed. Heralded as a battery of heavy trust-busting artillery, it now develops that its instrumentalities, far from having any effectiveness for those purposes, is an aggregation of smooth-bore hot-air guns, its projectiles the dimensions of a shriveled pea and the consistency of a blue-mass pill. As an irritant and an obstruction to the enterprising and law abiding it has, however, all of the efficiency of a barbed wire entanglement reenforced by hidden mines and concealed pitfalls.

Some gentlemen imagine that some will be cajoled or coerced into voting for this apology to the trusts—this fraud and sham, as it has been characterized in another body—because of some provisions I have supported which are desired by some labor organizations. One of the best friends of labor in public life has characterized those provisions as the "cheapest sop that has ever been offered to a laboring man." Another has described them as "taffy." I do not altogether agree with that characterization, but everyone knows that these provisions are not what the representatives of labor sought or asked for; that they have been clipped, trimmed, diluted, and toned down until they are in the main but declarations of present law and practice. Laboring men have infinitely more interest in preventing unfair trade practices and the curbing of monopoly than they have in any mere declaration of an existing fact. They are the last people in the world to ask or expect that any provision of legislation of questionable advantage to them be made the excuse for complete surrender to the trade sharks which infest the waters of commerce, destroying competition, and the monopolies which enhance the cost of living for all. [Applause on the Republican side.]

Mr. WEBB. Mr. Speaker, I yield 10 minutes to the gentleman from Oklahoma [Mr. MORGAN].

Mr. MORGAN of Oklahoma. Mr. Speaker, we are about to take a final vote on H. R. 15657, entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes." The bill is called the "Clayton antitrust bill." The bill is an administration measure and is supposed to represent the best thought of the Democratic administration now in control of the National Government. When this bill was introduced it was referred to the Judiciary Committee, of which committee I have the honor to be a member. The bill was before the committee for months. Extensive hearings were had. Many persons appeared before the committee and discussed the bill. The bill was reported to the House, and after being under consideration a number of days was passed by the House. The bill went to the Senate. It was there amended. A conference committee was appointed to harmonize the differences between the two Houses. The Senate has already adopted the conference report, and if the House does likewise the bill will become a law if approved by the President. You have listened to two of my Republican colleagues of the Judiciary Committee severely criticize this bill as written in the conference report. They express themselves as being unwilling to vote for the bill.

Mr. Speaker, I regret that I can not entirely agree with my Republican colleagues of the Committee on the Judiciary. I believe it is my duty to vote for this bill, and I intend to do so. It is not my purpose to enter into any general defense of the bill, but rather to present a few of the reasons why I believe I ought to support it. I agree with my Republican colleagues that the bill may justly be severely criticized not only for some things that it does contain but for many things that it does not contain. I do not believe the bill is what we should have had, but with all of its imperfections, defects, and faults I shall vote for it for the good, whatever that may be, there is in it.

In the first place, beginning with 1908, in my first campaign, and in every subsequent campaign since, I have said before my constituents that I was in favor of additional legislation for the regulation and control of the large industrial concerns engaged in interstate business. While all the provisions in this bill do not meet my approval and while, in my judgment, the measure is not at all what it should be, and while I feel the administration in power has not given the country what it should have had, still I do not feel that I would be justified in refusing to vote for the measure.

Secondly, the Republican Party has repeatedly declared for additional antitrust legislation. Our party is clearly committed to such legislation. Over and over again we have declared that laws should be enacted to provide stricter supervision, additional regulation, and greater control over the large business concerns engaged in interstate commerce. However imperfect the bill may be, it is a step in the right direction. And I feel that in giving the bill my support and my vote I am clearly in line with the platform declarations of the Republican Party.

Third. There are some things in the bill especially in harmony with my individual ideas. It is known that I introduced in the House the first bill to create a national commission as an instrument to further regulate our large business concerns, as an arm of the Government to protect the public from monopolistic concerns, and as a means to reenforce and maintain competition. When this bill passed the House there was no provision giving the Federal Trade Commission any power. However, since that time the bill to create a trade commission has become a law. But as the bill comes to us to-day the Federal Trade Commission has been given the power to enforce a number of the most important provisions of this bill. In my judgment, in this respect the bill has been improved. In the hands of the Federal Trade Commission these provisions will be enforced. It is not a question of having laws on the statute book; it is a question of enforcement. Here is where the Sherman law has failed. It has not been enforced. The courts have not had the governmental machinery with which to enforce it. The Sherman law is sweeping and drastic. Under it to monopolize, or attempt to monopolize, is a crime subject to a fine of $5,000; under it every contract in restraint of trade is a crime and subject to punishment; under it the courts may enjoin every contract and agreement in restraint of trade. But with all this power lodged in the courts, with all the penalties attached for a violation of the law, concentration in business went on. All the big corporations of to-day have been formed under the Sherman law. The courts have failed as an enforcing agency in statutes designed to regulate and control the business and industrial concerns of this country. We have tried the courts and they have failed. The Trade Commission, assisted and aided by the courts, will, in my judgment, make a more effective enforcing agency. I therefore especially approve the portion of this bill which gives the Trade Commission authority to enforce certain important provisions.

I have in every way possible aided in the work of preparing this antitrust legislation. As a member of the Judiciary Committee, I have tried to do my part.

On the 9th of December, 1913, I think it was, the Judiciary Committee began holding hearings on antitrust bills, and the hearings continued for months. The proceedings were published and comprise 2,000 printed pages. I have here the two volumes in which these hearings are printed. I had the honor to address my own committee. If you will examine these two volumes of the hearings before the Committee on the Judiciary on antitrust legislation, you will see that I delivered the first address on that legislation, occupying two days. [Applause.] And then if you will turn over to the last volume you will find on the last page my minority report in opposition to this bill.

Mr. NELSON. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Just for a short question.

Mr. NELSON. In the speech which the gentleman made, was he not in favor of giving power to the Trade Commission to fix prices?

Mr. MORGAN of Oklahoma. Well, under my bill the commission had power to control the practice, and, if necessary, the prices of corporations having power to arbitrarily control prices. In that respect I am probably some years in advance of the most of you. In due time the Trade Commission will have the power in certain cases to control the prices of these corporations and large concerns that have become virtual monopolies. I planned my bill not only for now but for the future, and the rest of you will come along with me in due time.

Mr. LEVY. Will my friend yield?

Mr. MORGAN of Oklahoma. Yes; for a question.

Mr. LEVY. Did the gentleman state that he is the only one who introduced a Trade Commission bill?

Mr. MORGAN of Oklahoma. No, sir.

Mr. LEVY. I introduced one August 22, 1913.

Mr. MORGAN of Oklahoma. Yes; but my bill was introduced in January, 1912. You and others have followed my lead. When I went before the committee I know that every Democratic Member on that committee smiled at the idea of creating a Federal trade commission. You had no idea at that time that a commission would be created. The President came down here one day about a month afterwards with a message declaring in favor of a commission, and from that time on it was smooth sailing for the commission idea. I give the President credit for that, because it was not a Democratic idea. It was not a Democratic policy. It had not been in the Democratic platform, but it was in the Republican and Progressive platforms.

Mr. MADDEN. Will the gentleman yield?

Mr. MORGAN of Oklahoma. Briefly.

Mr. MADDEN. Does the gentleman charge the President with copying ideas?

Mr. MORGAN of Oklahoma. I do not. But I hope that whoever may be President now or in the future will be a man who will be willing to some extent to recognize what public sentiment generally approves. [Applause.]

Mr. CARLIN. I understood the gentleman's position to be that the Republican Party seems to be abandoning its ideas. Is that it?

Mr. MORGAN of Oklahoma. Well, not exactly. But I must go on. Another thing, to some extent the changes which have been made in this bill have been exactly according to the line I suggested. I offered an amendment to section 2, in substance the same language you have in section 2 now. Now, I believe this bill, after all, represents progress. Shall I refuse to vote for this bill, shall I refuse to go with my Democratic friends one step forward simply because they refuse to go a mile? I believe not. It has been said time and again here that the teeth have been taken out of this bill. Well, my friends, the teeth in a dead animal do not amount to very much. [Laughter.] To be effective the teeth must be in an animal which is alive and has power. We have created a great national commission which, I believe, will be an effective weapon in the enforcement of all our antitrust laws. Through this commission life and vitality and force will be put into our antitrust laws. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VOLSTEAD. Mr. Speaker, I yield 10 minutes to the gentleman from Minnesota [Mr. STEVENS]. [Applause.]

Mr. STEVENS of Minnesota. Mr. Speaker, I am opposed to the adoption of this report, because I think it will seriously interfere with the course of trust regulation in this country. I do not care to approach this subject from a partisan standpoint. I seek to discuss it as an American legislator and as one sincerely interested in the successful working out of one of our most complicated and troublesome national problems. We all realize from the discussions throughout the country for some years back that there are two different schools of thought concerning the regulation of trusts. One, and the older one, considers the subject from the standpoint of prohibiting the evils by making evil practices unlawful, to be enforced by the imposition of severe penalties and punishment. Such was the doctrine laid down in the Sherman antitrust law and by most of the States. The more recent method of regulation is that by an administrative body endowed with very large authority, with a high personnel, with large influence and dignity, and the power to regulate, to prescribe, to admonish, to prohibit, and to punish wherever necessary, under fixed rules and standards in advance laid down by Congress. This is the method of regulating the transportation interests through the National and State commissions, and in a way regulating the banking and currency systems through the Federal Reserve Board. These two different methods are somewhat contradictory. One can not go along with the other very far without a conflict of authority and a troublesome mixture of the proper administration of the law.

This bill attempts to straddle these two systems. It attempts to cover both theories, with the result that it impairs and injures both methods and systems of legislation. The method which is covered by the prohibition and penalties as laid down in the Sherman law has already been discussed very ably and exhaustively by my colleague from Minnesota [Mr. VOLSTEAD], and he has demonstrated that this measure will seriously cripple the existing laws prohibiting trusts and combinations. I shall discuss for a few moments the situation of the regulation of commerce and industry in the interstate and foreign commerce of this country as it may be regulated by the Trade Commission and as such regulation and powers may be affected by this bill. It seems to me that this legislation concerning the Trade Commission will be very seriously injured by the adoption of this report and by the provisions of this measure if adopted into law.

TRADE COMMISSION.

The essence of the Trade Commission legislation is section 5, making unfair methods of competition illegal and granting to the commission ample authority to enforce that provision. We all know that Congress made no attempt to define what unfair methods of competition were, are, or should be. Congress designedly left to the courts power to define what should be an unfair method of competition according to the generally accepted rules laid down in many hundreds of cases. We believed this would be the most sure way of protecting the people and the business interests of the country. We knew in the framing of that legislation that there were two different schools of construction as to what constituted unfair competition—one the rather narrow construction made by the United States Supreme Court and followed by many Federal and State courts, and the broader construction held by many of the State courts, by nearly all of the text writers, and especially by the writers on political economy. I will read you what the United States Supreme Court states concerning unfair competition; I quote from One hundred and ninety-eighth United States Supreme Court Reports, page 140:

> The essence of the wrong in unfair competition consists in the sale of the goods of one manufacturer or vendor for those of another, and if defendant so conducts its business as not to palm off its goods as those of complainant the action fails.

In an earlier case, reported in One hundred and seventy-ninth United States Supreme Court Reports, at page 674, it was held:

> The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another.

There are several other cases along that same line. The point is this, that the United States Supreme Court, following the old rule, holds that unfair competition consists in misrepresentation and substitution of goods under the old and familiar doctrine of fraud. The broader definition is illustrated by the text-writers as set forth by Nims on Unfair Business Competition, as follows:

> There is an increasing number of decisions by equity courts in which relief has been given against infringement of some personal right. Many of these cases are applications of old principles governing the issuing of the writ of injunction to new needs—new injuries which modern conditions have produced. Many of them are closely analogous to the application of the writ to unfair-competition cases.

That doctrine, I think, is followed by a majority of the State courts, and I know that those who framed the Trade Commission bill expected, should it be adopted, that every grievous wrong against competition and fair dealing and honest business conduct would be prohibited under the term of prohibiting unfair methods of competition. If such a construction be made, then the commission and courts would have the amplest authority to protect honest business and punish the erring.

EFFECT OF THIS BILL.

I hold the very last number of the Political Science Quarterly, published, I think, by Columbia University, the June and September numbers, containing a very able, elaborate thesis on the subject of unfair competition, in which a list of 11 different classes of unfair competition is set forth, as follows:

1. Local price cutting.
2. Operation of bogus "independent" concerns.
3. Maintenance of "fighting ships" and "fighting brands."
4. Lease, sale, purchase, or use of certain articles as a condition of the lease, sale, purchase, or use of other required articles.
5. Exclusive sales and purchase arrangements.
6. Rebates and preferential contracts.
7. Acquisition of exclusive or dominant control of machinery or goods used in the manufacturing process.
8. Manipulation.
9. Blacklists, boycotts, white lists, etc.
10. Espionage and use of detectives.
11. Coercion, threats, and intimidation.

I think that this classification is not complete. There should be added several other classes, such as the fraud of misrepresentation and substitution, and possibly some evil action under interlocking directorates and holding companies, prohibited by sections 7 and 8 of this bill. So I think it is safe to say that so far as classification has gone there are probably 15 or more different classes of acts or transactions which might constitute unfair competition or methods of competition. The United States Supreme Court has defined only two, namely, substitution and misrepresentation in fraud. Your bill only defines four or five, and consequently there are about half of the classes of

unfair competition or unfair methods of competition which are not defined either by the decisions of the Supreme Court or by your legislation.

Consider in the light of this situation this and past legislation seeking to define and banish unfair methods of competition. There is on the statute books that prohibition of unfair methods of competition by a general term without specific definition. *Following* that statute, several weeks later Congress passes another act specifying four or five different classes of acts or transactions which are admittedly defined by many courts and competent authorities to be unfair methods of competition. You realize what is the old and ordinary rule of construction in such a case that the expression of some is the exclusion of those not named. In other words, by prescribing these definitions of unfair competition in this bill you are liable to compel the Supreme Court to hold that these are the only acts or transactions which Congress has defined as unfair competition, while there are three times as many other classes of unfair acts which are not included within these definitions over which the Trade Commission would or ought to have any jurisdiction. But if the Supreme Court should conclude that, in addition to your definitions, there are two or more other classes which it has described and defined as unfair competition in the cases presented to you and which are not included in your bill, yet there would be one-half probably of the different classes of unfair competition which would not be included within the scope of your legislation or the existing decisions of the Supreme Court. The history of this very legislation furnishes a strong argument why this last method of definition might be adopted by the Supreme Court if the ordinary logic of construction be followed.

You may recall that when your bill left the House it contained a prohibition of tying contracts. I think it was section 4 of your bill as it passed the House, but you will correct me if I misdescribe. At first this section was stricken out by the Senate. Then there was called to the attention of the Senate the decision in the Dick case, so called, in which the Supreme Court sustained as legal the tying contracts affixed to sales under a patent. In such case where the Supreme Court had held such contract and such a practice legal, necessarily the Trade Commission would have no authority to declare such a contract and act illegal as an act of unfair competition or an unfair method of competition. Of course it would not. That was realized. To meet such a situation there was adopted an amendment, which I think is section 3 of your bill as it left the Senate, which made such acts and contracts illegal. Following the logic and analogy of that legislative performance, when there shall be presented to the United States Supreme Court questions as to what shall constitute unfair competition or unfair methods of competition, is it not competent to argue that Congress did not define unfair competition or methods of competition in its first statute? It did so define such words in its second statute a few week later; in addition to the prior expression of the Supreme Court—that when it found that a particular transaction like that of tying contracts had been declared legal by the Supreme Court, in order to overcome that situation and render such subject to the jurisdiction of the commission, Congress found it necessary to specifically legislate on that subject.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. VOLSTEAD. Mr. Speaker, I yield to the gentleman five minutes more.

Mr. STEVENS of Minnesota. Now, Mr. Speaker, following the logical deduction from this situation, the Supreme Court has laid down in these cases which I referred to what it believes to be unfair competition, acts of substitution, and misrepresentation in fraud as to goods of the complainant. Congress, believing that that is not broad enough and did not cover or include enough classes or subjects, has legislated as to four or five other classes to bring them under the jurisdiction of the commission, just as it did concerning the tying contracts. It can be safely assumed that Congress recognized the decision of the court as to what constituted unfair competition exactly as it did as to the validity of a tying contract. Under the decision of the Supreme Court, unfair method of competition would only cover substitution and misrepresentation of goods. That is the old doctrine, well sustained by the decisions. Congress assumed such doctrine in the first statute as a basis for the entire jurisdiction of the Trade Commission. It so intended that such should be the scope of its powers. But subsequently, a few weeks later, in another act, Congress concluded that it was not good public policy to rely exclusively on the decision of the courts in the Dick case and in the other cases as to what constitutes unfair competition. So it meets all of these decisions by specific legislative action in the Dick case, declaring to be illegal that which the court had sustained as legal, and as to the other cases declaring other acts and transactions to be unfair competition in addition to what the court has previously defined. Congress decided that sections 2, 3, 7, and 8, I think, should define other classes of unfair competition, just exactly as it met the court's action as to the tying contract.

Under those circumstances and with this legislative history such would be a logical and proper deduction from the action of Congress and from the action of the Supreme Court. It could be followed without doing violence to any legal rule or argument. If that method of construction be adopted, then more than half of the different classes of unfair-methods competition would not be under the jurisdiction of the Trade Commission at all and would be omitted from its powers, and that is what I am afraid you possibly have done. There is this chance, that you have taken from the jurisdiction of the Trade Commission one-half of the practices which ought to be under its jurisdiction, and if this report be adopted and this bill become a law these unfair practices can hereafter only be placed under its jurisdiction by an affirmative act of Congress. It could not well be implied to be within the scope of the authority of the commission. That situation should have been corrected in your report. It was not so done. I fear that that omission will be extremely injurious to the work of the Trade Commission and to the work of regulating the trusts. I have outlined a real situation, which will be early met and plague the authorities, and will require expensive litigation for several years before it can be finally determined even favorably by the broad authority of the commission as to how far it has actually the power we hoped for it.

Now, another part of your conference report that I fear will be injurious as to the regulation of evil practices of business concerns. You recall that the jurisdiction of the Trade Commission to act in cases of unfair competition was limited to that class where its action against an unfair method of competition was in the interest of the public. That was the standard for the definition and a limit to its jurisdiction and action. That was the sole basis upon which the Trade Commission was authorized to act in any case where an unfair method of competition was brought before it.

You have changed that basis in your section and greatly narrowed and weakened it by practically providing that the "unfair method of competition described in this section shall be under the jurisdiction of the commission where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce." In other words, these other practices of unfair competition, whatever they may be, can be prohibited if they injure public interest. You narrow and greatly restrict that basis. You make it apply only where the act substantially lessens competition, irrespective as to whether it may or may not be for the public interest. I can conceive where it might be for the public interest to substantially lessen competition in commerce. In some cases it might be necessary for the public interest that it be done. You deprive the commission of the power to consider it.

Mr. WEBB. Mr. Speaker, will the gentleman permit me to ask him a question?

Mr. STEVENS of Minnesota. Certainly.

Mr. WEBB. I have tried to follow the gentleman on the legal definition. It seems to me, from what the gentleman has read from the Supreme Court Reports as to what unfair competition is, that the things denounced in sections 3 and 4 do not come within that class.

Mr. STEVENS of Minnesota. Oh, it is conceded by the writers and in the debates that they do. It is conceded all through the debates. If the gentleman will read the Senate debates he will see that that is so; and it is also conceded outside of Congress, in the courts of the States, and by the textwriters and economists.

Mr. WEBB. I was referring to the excerpts from the opinions of the Supreme Court.

Mr. STEVENS of Minnesota. Oh, the gentleman will realize that the basis of the decisions in nearly every case in the United States courts and in the State courts is the doctrine of fraud, and especially fraud as to substitution and discrimination of that nature, and this is only one of the classes of unfair competition. This method of discrimination in prices is a transaction that has been regarded by many courts as one of the most culpable acts of unfair competition. The United States Supreme Court has not so held it, so far as I know. That is the very point I make—that the United States Supreme Court has not so held—so that under its decision and definition that

this particular section 2 would not be unfair competition, and because it has not so held Congress found it necessary to define it and make it an unfair method of competition in order that the Trade Commission should have any jurisdiction over it. And if Congress defines such a transaction in this case in order to overcome a decision of the court, it must also define in all other cases where it is desired that other classes of transactions should be within the scope of the commission; and if that doctrine prevails, then one-half of the methods of unfair competition will not be covered by your legislation and will not be covered by the Trade Commission act, now on the statute books. And whenever it is found that evil practices do amount to unfair methods of competition, if this construction is adopted it will be necessary to enact suitable statutes defining them. We realize how difficult and almost impossible this will be. Because of such a possibility of misfortune for the trust legislation in which we are all so much interested, the committee should have met the situation by apt terms covering the scope of what was designed in the Trade Commission act and prevented this possibility of long and expensive litigation.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. STEVENS of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and there I will try to make clearer what I have sought in these few moments to explain. [Applause.]

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. WEBB. Mr. Speaker, I yield 10 minutes to the gentleman from West Virginia [Mr. NEELY].

The SPEAKER pro tempore. The gentleman from West Virginia is recognized for 10 minutes.

Mr. NEELY of West Virginia. Mr. Speaker, before I begin I will ask unanimous consent that I may be permitted to revise and extend my remarks in the RECORD within five legislative days.

The SPEAKER. The gentleman from West Virginia [Mr. NEELY] asks unanimous consent to revise and extend his remarks in the RECORD within five legislative days. On this bill?

Mr. NEELY of West Virginia. No, sir.

Mr. LEVY. The gentleman has that privilege now.

The SPEAKER pro tempore. Not on this bill. Is there objection?

Mr. STAFFORD. Do I understand that it is on this bill, Mr. Speaker?

The SPEAKER pro tempore. It is not on this bill. Is there objection?

There was no objection.

Mr. NEELY of West Virginia. Mr. Speaker, patriotic Americans will ever remember November 5, 1912, as a grand and glorious day. It is the date on which the independent voters of the land, as a protest against two decades of unredeemed pledges, broken promises, and repudiated principles, retired the Republican Party from power, scourged its recreant officials from the seats of the mighty, and delivered complete control of the Federal Government into Democratic hands.

For the notorious apostasy of its officials the Republican Party was banished. For its traditional fidelity to principle the Democratic Party was restored. On election day two years ago the voters not only remembered what the Republicans had failed to do but they were also mindful of what Democracy had done. At the ballot box the people remembered the remarkable record made by the Democratic House of the Sixty-second Congress. They remembered that that House passed a bill providing for the publication of campaign expenses, both before and after the election; that it proposed an amendment to the Constitution providing for the popular election of United States Senators; that it provided for the admission of New Mexico and Arizona to statehood; that it passed a bill to prevent the abuse of the writ of injunction; that it passed a bill establishing an eight-hour day for workmen on all national public works; that it passed a contempt bill, which in certain cases provides for a trial by jury; that it passed a bill providing for the better protection of human life at sea; that it passed a bill prohibiting the deadly work of manufacturing white phosphorus matches; that it passed a bill to protect American trade and shipping from foreign monopolies; that it passed a bill creating the Department of Labor and making its head a member of the President's Cabinet; that it passed the Alaskan civil government bill, creating a legislature for the people of Alaska, and conferring authority upon them to make laws for themselves; that it made an honest effort to effect a multitude of other needed reforms.

By way of expressing their approval of our past achievements and their confidence in our future performances, the people put every department of the Federal Government under Democratic control two years ago.

The Baltimore platform, upon which Democracy was returned to power, pledged the party to a trinity of capital reforms, consisting of an immediate downward revision of the tariff, the passage of a currency law, and the enactment of such antitrust legislation as would make it impossible for a private monopoly to exist. Certainly this was a program sufficiently ambitious to test the courage and excite the best endeavors of the ablest and bravest of men.

During the rapid flight of the first 18 months of the Wilson administration we have placed upon the statute books a real revenue tariff law, an incomparable currency law, and within another day we shall have added the second of our effective antitrust laws. With an additional record of extraordinary accomplishments to the credit of the administration, the Members on this side of the House can return to their constituents and declare that in deed and in truth they have unqualifiedly kept the faith.

On its restoration to power the Democratic Party found the consuming masses staggering under an intolerable burden of taxation imposed upon them by that infamous measure commonly known as the Payne-Aldrich tariff law, but which in scriptural language might well be designated as the abomination of desolation spoken of by Daniel the Prophet. Under this law every average family in the United States paid a tariff tax of $115 per year. The ingenuity of the measure so nearly approached the injustice of its operation that only $16 out of every $115 collected from the people ever reached the Treasury, while the remaining $99 invariably went into the coffers of the avaricious trusts.

The first work of the administration was to expunge this burdensome law from the statute book and write in its place an honest, equitable revenue law that would be just to all and afford special privileges to none. And most eagerly and enthusiastically did we set about our task. After months of earnest, arduous labor, on October 3, 1913, the Underwood tariff bill finally became a law. By virtue of its beneficent provisions a sweeping reduction in the tariff was made, averaging almost 30 per cent, while many of the necessaries of food and clothing that are largely consumed by the poor and articles coming into competition with trust-controlled products were put upon the free list. We have now had more than 12 months of the Underwood tariff law, and its operations have met with the hearty approval of a vast majority of the people. Until checked by the results of war in Europe, the constant tendency of this law was toward a lowering of the high cost of living. A notable proof of this assertion is found in the fact that sugar was cheaper in May of this year than it had been for 20 years before; while John Wanamaker, greatest of merchants and a lifelong Republican, advertises a reduction in the price of a score of household articles as a direct result of Democratic tariff legislation. It is almost universally believed that with the European war ended and normal conditions again prevailing the Underwood tariff law will in a short time effect a substantial reduction in the excessive cost of the necessaries of life. To-day there is not a Republican candidate for Congress in the whole United States who would dare to go before the voters of his district and assert that if elected he would vote to repeal the Democratic tariff law. Such an assertion would be murder for the candidate's ambition and suicide for the candidate himself. What provision of the Underwood law would the Republicans dare wipe out? What provision of the Payne-Aldrich law would they dare restore? Would they repeal that part of the Underwood law which provides an annual reduction of 25 per cent in the tariff on sugar until it is finally free? Would they restore the tax on sugar that annually cost the consumers $120,000,000 and that compelled every average American family to pay a tribute of more than $7 per year to the Sugar Trust? Would the stand-pat party restore the tariff of 93 per cent on cotton manufactures, provided by the Payne-Aldrich law for the sole benefit of the heartless mill owners like those of Lawrence, Mass., who paid a wage so low that it kept their laborers, including women and children, on the very verge of starvation every day in the year? The Democratic tariff law puts all meats, fish, dairy products, flour, and potatoes on the free list. If returned to power, would the Republicans again put a duty on these prime necessities of the dinner table? Would they again lay a tariff on coal, to be paid by the shivering poor? Regardless of the answers Republican politicians may make to these questions, the people themselves will answer them—one and all—in favor of the Democratic Party on election day; by their votes they will express their approbation of

the Democratic tariff law, that says to the tariff baron, "Thou shalt not steal."

The party having fully redeemed its promise of an immediate downward revision of the tariff, without pausing for a moment to admire the results of its handiwork, promptly proceeded to the enactment of a currency law—a colossal task, considering the mighty influences that were arrayed in opposition to this reform.

The old Republican currency system which the country had endured for more than half a century was a make-shift, wartime measure. It was as inadequate as a fiscal law as the Payne-Aldrich Act was intolerable as a revenue law. Under the old system a dozen men either owned outright or, through a system of interlocking directorates, controlled practically the entire money supply of the United States. The banks were largely engaged in directing the Government business, while the Government ineffectually tried to regulate the banking business. Indeed, the Money Trust had become more powerful than the Federal Government itself. Even in a time of profound peace and unprecedented prosperity a handful of men could create a business depresssion overnight and spread an artificial panic from Maine to California between the rising and the setting of the sun. New York City was the seat of financial government, and from Wall Street, as from a throne, the monarchs of money wielded their despotic power without remorse and ruled the land without mercy.

Responding to a general demand for a scientific currency law, the Democratic administration has given to the country the Owen-Glass Act, the best currency law that has ever been enacted by a legislative body. This law affords the people a large measure of local self-government in their financial affairs. It annihilates the Money Trust; it stabilizes commercial conditions and encourages industrial enterprises throughout the United States; it makes it forever impossible for the manipulators of high finance to corner the Nation's supply of money; it provides for the concentration of the reserves of 25,000 banks into the strongest banking association ever formed; it provides for the establishment of foreign branch banks to take care of our foreign commerce; it provides for the issuance of elastic currency on the security of commercial paper of early maturity; it provides a Federal Reserve Board empowered to fix interest rates; it inaugurates a system under which we begin banking business with $53,000,000 of capital and with Uncle Sam as general overseer. This law makes it forever impossible for us to have an artificial money panic; it ushers in an era of new freedom rich in promise of permanent prosperity to every legitimate business and to every honest enterprise beneath the flag.

ANTITRUST LEGISLATION.

While perfecting and passing the tariff and currency laws, Democracy developed such a genius for patriotic service and became so sincerely solicitous of promoting the welfare of the people that it found it impossible either to slumber or sleep until it had carried out its program of antitrust legislation. Accordingly, early this year, the appropriate committees of the House prepared two separate antitrust bills, one of which the administration has already had enacted into law and the second of which it will have placed upon the statute book before the close of another day. These measures, taken together, protect certain rights and provide ample and adequate remedies for certain trust ills which could not be reached under any of the provisions of the old law.

The first of these antitrust measures provides for the appointment of a Federal Trade Commission of five members, not more than three of whom shall be members of the same political party. This commission is empowered to investigate the organization, the business, financial condition, conduct, and management of any corporation engaged in interstate commerce for the purpose of discovering violators of the antitrust laws and bringing them to justice. This commission is expressly authorized and fully empowered to prevent persons, partnerships, and corporations engaged in interstate commerce from practicing such unfair competition as is frequently resorted to by big business for the purpose of destroying its weaker rivals, to the end that the public may later be plundered at will.

The second of the administration's antitrust statutes prohibits what are technically known as tying contracts, which restrict the independence of purchasers; it makes holding companies outlaws in all cases where their effect is to lessen legitimate competition or create monopoly at the expense of the public; it makes it illegal, two years after the passage of the law, for competing corporations engaged in interstate commerce to have interlocking directorates in all cases in which any one of the participating corporations has a capital of more than $1,000,000; it provides for criminal prosecution and imprisonment of violators of the antitrust law; it provides additional protection for those who are prosecuted in injunction cases and contempt proceedings. By enacting the tariff law, the currency law, and the antitrust laws this administration earned the everlasting gratitude and continued support of an emancipated people and won for itself imperishable fame.

Each of these measures should be proof against the condemnation of the opposition, for the reason that a number of members of the minority parties, putting principle above politics and patriotism above party, voted in favor of this Democratic legislation.

Three Republicans, three Progressives, and one Independent in the House, and one Republican and one Progressive in the Senate voted for the Underwood tariff law.

Thirty-five Republicans and 14 Progressives in the House and 3 Republicans and 1 Progressive in the Senate voted for the Democratic currency law.

All the members of the opposition parties joined the Democrats in passing the first of our antitrust laws by acclamation.

Forty-one Republicans and 15 Progressives in the House and 6 Republicans and 1 Progressive in the Senate voted for the Clayton bill—the second of our antitrust measures, the conference report on which we shall adopt within an hour.

Democracy, with its high ideals and righteous devotion to duty, was not content with its superior record, based solely on the great constructive measures just mentioned, and for which so many Republicans and Progressives voted, but to satisfy itself and promote the welfare of the people, with patient toil and unflagging energy, it effected many other reforms sweeping in nature and salutary in results.

INCOME TAX.

In connection with the Underwood Tariff Act this administration passed and put into effect an income-tax law. Under the operation of this statute the wealthy and well to do pay into the Treasury every year a hundred million dollars in taxes on their enormous incomes, which formerly went scot free. Under Republican rule this gigantic sum was raised by means of a tariff on food and clothing, which were largely consumed by the plain people. Under Democratic law this hundred-million-dollar burden has been shifted from the poor man's bending back to the broad shoulders of those whose net incomes are in excess of $3,000 per year. What law could be more popular than this? What measure could be more just? What statute could more effectually lighten the load of those who struggle for their daily bread? If the people approve of this reform, let them go to the polls on November 3 and, by voting the Democratic ticket, say that this income-tax law shall never be repealed.

PENSIONS.

For years and years the Republican Party loudly professed its friendship for the old soldiers and for more than a quarter of a century profusely promised to enact laws that would provide reasonable compensation for the veterans of the Civil War; but immediately after each recurring election this boasted friendship lost its ardor, the promise was repudiated, and the veteran forgotten. Notwithstanding the fact that the Republican Party has had control of the Federal Government for more than 40 of the 50 years that have elapsed since the War between the States, it remained for the Democratic House in 1912 to pass the Sherwood bill, the most liberal pension law that was ever enacted, and under which thousands of veterans have obtained just and generous increases in their pensions. The Democratic House of the Sixty-second Congress passed the Sulloway dollar-a-day bill, but the Republican Senate proved unwilling to give the soldier the relief he deserved and killed the bill.

As a further indication of the Democratic Party's sincere concern for the welfare of those who defend their country's honor in time of war, attention is called to the Key bill, which has already been passed by the Democratic House, and which is now pending in the Senate. This bill provides pensions for the widows and orphans of veterans of the Spanish-American War.

PARCEL POST.

To the Democratic Party should be given practically all the credit for the enactment of the parcel-post law. The vital section of the bill providing this reform was prepared with infinite labor by the distinguished Democratic gentleman from Maryland [Mr. LEWIS]. It was the Democratic House of 1912 that passed this bill and gave it such strong support and created so much sentiment in its favor that the Republican Senate found it expedient to join the progressive Democratic Party in giving the people this legislative boon. It was the present administration, Democratic in all its branches, that developed the parcel post into such an active and effective competitor of the great express companies of the country that they have been compelled to make sweeping reductions in their former exorbitant rates and to do business on a competitive basis. Thus the

express monopoly joins the ever-increasing and rapidly moving procession of economic evils that is disappearing from the face of the earth.

On August 15, 1913, the Post Office Department increased the weight limit of parcel-post packages from 11 to 20 pounds and reduced the then prevailing rates; on January 1, 1914, the weight limit was increased from 20 to 50 pounds and another substantial reduction in the rates was made. By virtue of the parcel-post law one can ship a pound package 150 miles for 5 cents, and 10 pounds the same distance for 14 cents. It was largely on account of the revenue-producing power of this law that the efficient Democratic Postmaster General was enabled so to operate the Post Office Department that it earned and paid into the Federal Treasury last fiscal year a surplus of $3,800,000. It is now estimated that this year's surplus will exceed $15,000,000. Let the critics who charge us with inability to conduct the Government successfully remember that every year since 1883, with the exception of last year, the Post Office Department showed a deficit, and that it was a Democratic administration that transformed the deficit into a surplus and firmly established this department of the Federal Government on a paying basis.

ELECTION OF UNITED STATES SENATORS BY DIRECT VOTE.

Democracy points with profound pride and supreme satisfaction to the adoption of an amendment to the Constitution providing for the election of United States Senators by direct vote of the people. As early as the year 1900 the Democratic Party in national convention assembled declared in favor of this reform, and in each succeeding national convention it in substance reaffirmed the declaration, while the Republican Party in national convention as late as the year 1908 rejected a declaration in favor of this amendment by a vote of almost 7 to 1. Through the efforts of the Democratic Party it is at last a part of the fundamental law of the land that no one can be a United States Senator until after the voters of his State have by ballot declared in his favor.

With the election of its members in the hands of the people the United States Senate ceases to be a sepulcher for the burial of reform legislation; in the future that body will be responsive to the popular will; it will represent our business as well as big business; it will work as industriously for mankind as it formerly worked for monopolies.

LOBBY INVESTIGATION.

Since a time that antedates the memory of this generation the people have suspected that powerful interests were maintaining paid agents at Washington to obtain class legislation and prevent the enactment of reformatory laws. While the Underwood tariff bill was pending in Congress the President publicly announced that an insidious lobby was infesting the Capital and endeavoring by foul means to shape the course of tariff legislation. Following this announcement special committees appointed by the Senate and House for the purpose made a sweeping investigation which proved conclusively that the alleged lobby actually existed; that it had existed from time immemorial; that its activities were nefarious and its purposes pernicious. It was further proved that this lobby not only exerted a powerful and evil influence against the enactment of progressive measures but that the protected interests that maintained this lobby were actively engaged in politics for the purpose of defeating candidates who were unfriendly to class legislation. By virtue of its thorough investigation the Democratic administration consigned the lobbyist to perpetual banishment. The place that knew him once knows him no more, and Congress now frames laws in the interest of all the people, free from the blighting influences of the iniquitous third house. Thus the usurping, intangible, and invisible influences over our Federal Government have perished and the visible processes of legislation have been fully restored.

PEACE TREATIES.

Our Secretary of State, the greatest living apostle of peace, has been diligently negotiating treaties with all the important countries of the world, embodying the administration's plans and principles of diplomatic postponement as an integral feature of international law. The sole object of these treaties is to divest international difficulties of their inflammable and warlike characteristics. So far 26 of these treaties have been ratified and put into operation; 10 other countries, including the leading powers of the Old World, have announced their acceptance of the principles of these treaties and their willingness to conclude and ratify these pacific agreements with this Government as soon as certain matters of detail have been agreed upon. A difficulty between this and any other nation with which we have effected one of these treaties is assured of a full year's calm and dispassionate consideration before either of the nations to the controversy can declare war against the other. There is practically no great war of the past that would not have been prevented by a year's deliberation. By affording abundant time for the inflamed passions of the people to subside and for reason to resume its sway, these treaties will hasten the dawn of an era of "peace on earth, good will toward men."

DOLLAR DIPLOMACY.

Under the old Republican régime, when the Money Trust made a loan to a foreign power or its subjects it was tacitly understood that in the event of the debtor's default this Government would enforce payment of the loan by warlike means and at public expense. By way of abolishing a peculiar species of indefensible special privilege this administration has abandoned the Republican policy of having the Government act as high sheriff for the benefit and protection of our international lenders of money. Democracy believes that while it is discharging its first duty of protecting the taxpayers of the Nation the Money Trust is amply able to protect itself. The Democratic Party is friendly to every legitimate business, whether great or small; but it can not befriend or favor any particular business at the expense of all the people. The Democratic Party becomes hostile to big business when, and only when, by unfair practices and unlawful means it attempts to destroy its competitors in order to establish a monopoly upon their ruins.

ECONOMY IN NAVAL CONSTRUCTION.

The Democratic Secretary of the Navy, as a new departure, forced the armor-plate manufacturers to submit competitive bids for the contract to furnish the armor plate, iron, and steel used in the construction of what is known as battleship *No. 39* at a saving to the Government of more than $2,000,000. This is the administration's latest application of the proverbial wisdom, "A dollar saved is a dollar gained."

FARMERS AND LABORERS.

Realizing that the farmers and laborers of a country are the producers of its wealth and the mainstays of its prosperity, and further realizing that they have heretofore failed to receive the governmental assistance and legislative protection they have always deserved, the present administration has recently made full reparation for 16 years of Republican neglect of these two great classes of citizens by giving them prompt and adequate relief.

For the benefit of labor we have passed a law establishing an eight-hour day for all female employees in the District of Columbia.

For the benefit of labor and to remedy a defect in preexisting law we have passed the dredge workers' bill, which establishes an eight-hour day for those doing dredging work in the improvement of our rivers and harbors.

For the benefit of labor we have inserted in the fortifications bill a provision which establishes an eight-hour day for civilians engaged in the manufacture of powder and ordnance to be used by the Government.

For the benefit of labor we provided in the Post Office appropriation bill for an eight-hour day for post-office clerks and letter carriers.

For the benefit of labor we provided in the naval appropriation bill that all coal purchased for the use of our Navy shall have been mined by those working an eight-hour day.

For the benefit of labor we have enacted the Children's Bureau law to promote and safeguard the interest of little children.

For the benefit of labor, as well as for the employer of labor, we have enacted the Industrial Commission law, which provides for an investigation of the entire subject of industrial relations, to the end that the best methods of dealing with and settling industrial disputes may be ascertained and adopted.

For the benefit of labor, as well as for the employer of labor and the public at large, we have enacted a law amending the Erdman Act, which provides for mediation, conciliation, and arbitration in controversies between employer and employees. This amended law afforded the means by which the President succeeded in preventing the threatened eastern railway strike in 1913, which involved 54 railroads and more than 80,000 of their laborers, by effecting an adjustment acceptable to the railroads and satisfactory to their employees. By virtue of this same law the President this year prevented an industrial strike involving the western railroads and their employees. The great benefits resulting from this new method of adjusting and settling controversies between capital and labor are second only to the advantages arising from the settlement of international disputes by arbitration instead of by war.

Into the second of the administration's antitrust laws we have written a new bill of rights for labor and agricultural organizations not conducted for profit, the effect of which is to declare to the world that the members of labor organizations and farm-

ers' associations are not chattels or commodities or even unlawful conspirators, as some Federal courts, under the authority of Republican Federal laws, have declared them to be; but, on the contrary, that they are, under Democratic legislation, free American citizens, entitled to every right and privilege and immunity that was ever conceived by the mind of man for his own protection and preservation.

For the benefit of the farmer we inserted a provision in the new *Federal* reserve act authorizing national banks to lend money on the security of farm land and to rediscount farmers' notes that are based on staple agricultural products. Under the provisions of this act the sum of $500,000,000 is made available for the promotion and development of agriculture.

For the benefit of the farmer various bills have been introduced in the House, providing for the establishment of a nationwide rural-credit system to be controlled by the Federal Government. It is now practically assured that the most desirable of these bills will be selected and enacted into law by the Sixty-third Congress before final adjournment next March.

For the benefit of the farmer we have provided $500,000 for the eradication of hog cholera, a disease for which the Government has discovered a preventive as well as a cure. This disease in 1913 caused the death of more than 6,000,000 hogs, valued at $65,000,000, and these hogs, if saved, would have added 35 pounds per family to the Nation's meat supply.

For the benefit of the farmer we have created the Office of Markets in the Department of Agriculture, which, in the future, by providing the means of distributing farm products directly to the consumer, will save the farmer much that formerly went into the middleman's pocket.

For the benefit of the farmer the House has passed the Shackleford good roads bill, which makes an initial appropriation of $25,000,000 to be expended in cooperation with the various State governments in building and maintaining good roads. It is confidently predicted that this bill will be passed by the Senate and become a law before the adjournment of the next session of Congress.

For the benefit of the farmer the Democratic Secretary of the Treasury a year ago deposited $50,000,000 of the Government's money in the banks of the South and West to be used in moving the Nation's grain and food supply to eastern markets. The same action was taken again this year, and it will be taken again in the future as often as circumstances may render it necessary, provided the Democratic Party continues to control the Government. Under Republican rule when money was needed for the movement of crops in the agricultural sections of the country the Government met the demand by placing Treasury funds in the hands of the New York bankers, who in turn lent them to the farmers of the South and West at ruinous rates of interest. Under Republican manipulation the Government received no interest on this money, while the New York banker collected a heavy tribute from the farmer for the use of the funds that belonged to the people. The new Democratic way is to lend the money directly to the bankers of those sections which are in need of aid at a low rate of interest, which is paid into the Federal Treasury for the benefit of all, thus eliminating the speculative features of the transaction which formerly inured to the benefit of the New York money broker and left the farmer at his mercy.

For the benefit of the farmer we have passed the Lever agricultural extension law, which will literally bring the agricultural college, the experiment station, and the Federal Department of Agriculture to the door of every farmer in the land. This law makes it possible for farmers' wives and daughters to learn the fundamentals of domestic science and home economics under their own roof. It provides the means for making rural life so comfortable and attractive that the next great shifting of our population will be from the overcrowded cities "back to the farm." If the farmers and laborers are prospering under the laws we have enacted for their protection; if they are thriving under the measures we have adopted for their relief; if they are enjoying the fruits of their toil by reason of the administration's maintenance of the nation's peace, they are solicited to show their appreciation on election day by voting to continue the Democratic Party in power.

THE PANIC BOGY.

Ever since the passage of the Underwood tariff bill big business, stand-pat newspapers, and Republicans politicians have made a desperate concerted effort to plunge the country into a panic for the purpose of discrediting the Democratic Party. The gentlemen on the other side of the House have preached the gospel of political pessimism with the industry of beavers and the zeal of fanatics. They have told us much that was false about the low prices of the farmers' products and much that was fallacious about the ruinous effects of foreign competition. When a factory has closed, even for repairs, Republicans have rejoiced; when business has prospered they have mourned; when a new industry has been established they have wept.

The Member from Washington [Mr. HUMPHREY] in particular has for several months past been in a state of chronic oratorical eruption; he has torn innumerable passions to infinite tatters; he has afflicted the House with what Samuel Johnson called "that querulous eloquence that sees every city laid with a siege like that of Jerusalem; that makes famine attend on every flight of locusts and suspends pestilence on the wings of every blast that issues from the south." He has become so anxious to discredit the Democratic administration and so eager to bring about the election of a Republican Congress that in order to accomplish his purposes he would assassinate the prosperity of his country.

With his wheat selling for $1.25 a bushel we are informed that the farmer is embarrassed; with an insatiable demand at unprecedented prices for everything he has for sale we are told that he is distressed; with Providence lavishly blessing him with bountiful crops and abundant harvests, with prosperity smiling upon him everywhere, we are told by these political croakers and calamity howlers that the farmer is on the brink of disaster and the verge of desolation. Fortunately specific facts are at hand with which to dispel Republican fiction.

With wool on the free list, the farmers have received from 4 to 8 cents more per pound for their wool this year than they received a year ago under the highest Republican tariff law that was ever enacted.

A comparison of the prices of a few of the leading farm products as of the first week in March, 1913 and 1914, from a compilation made by the United States Department of Labor and the Chicago Inter Ocean, shows the following in favor of this year's prices over those of a year ago:

Corn advanced 14½ cents per bushel.
Oats advanced 5½ cents per bushel.
Potatoes advanced 22½ cents per bushel.
Hogs advanced 20 cents and cattle 75 cents on the 100 pounds.

Under such eminently satisfactory conditions as those now existing the farmer will not run the risk of making a change of Government officials, but on the contrary they will wisely provide for a continuation of their prosperity by voting the Democratic ticket on election day.

We have been warned that those who live by toil are idle, and that a large proportion of the laborers of the land are begging their bread. A little while ago we were threatened with a second invasion of the unemployed, under command of Gen. Coxey. It was predicted that on the general's second march to Washington he would bring with him a hundred thousand idle men. The event proved to be a mournful commentary upon the prediction, and a deserved rebuke to the Republican prophets of evil, for when that vast army reached the east steps of the Capitol we were amazed to find that its total strength consisted of Gen. Coxey, his wife, his son, and seven men and a jackass.

If the extent to which laborers are unemployed may be measured by the Coxey demonstration, we are justified in assuming that the workmen of the country are enjoying prosperity in unlimited proportions.

We would remind our Republican friends that they have had the same exclusive monopoly on panics and depressions that they have had on capitalistic combinations. There have been three disastrous panics since the Republican Party was born. The first was the panic of 1873, which came almost in the middle of a period of 25 years, during which the Republicans were in absolute control of every department of the Federal Government. There had been no Democratic administration for 13 years before that panic, and there was none for 11 years after it, so that panic was the legitimate child of the Republican Party.

The next in order was the panic of 1893, which came a few months after the inauguration of a Democratic President, but while the McKinley high-tariff law was still in effect, before a single Republican law had been repealed and before a single Democratic law had been enacted, and it came, on the admission of eminent Republican authority, from natural causes that were world-wide and in operation long before the election of a Democratic President. So panic No. 2 is not chargeable to the Democratic Party.

The next panic, and the most crushing one that has ever been recorded in the history of any country, was that of 1907 and 1908, when every department of the Government had been in the hands of the Republicans for full 10 years, and 5 years

before a Democratic administration began. So panic No. 3 was a Republican panic exclusively, for which the party of high protection and special privilege must bear the total blame.

Recently our Republican friends have prayed for a panic; they have wished for famine; they have longed for depression; they have even hoped for war.

But with the new currency law in operation there will be no panic. There is no famine, there is no depression, and while Woodrow Wilson is in the White House and William Bryan is in the Cabinet we shall have no war.

Mr. MADDEN. Then why a war tax? [Laughter on the Republican side.]

Mr. NEELY of West Virginia. If the gentleman will get me additional time, I shall be glad to enlighten that side of the House as to the war tax. Until checked by the irresistible effect of the European struggle, this country was rapidly moving toward an era of prosperity unparalleled in our national history.

Our business has been deeply depressed and the cost of living has been greatly increased as a result of the terrible conflict that is raging beyond the sea; but we shall soon adjust ourselves to the new conditions abroad; we shall direct our energies into new channels, win for ourselves new laurels, and enter upon a period of prosperity more resplendent than any of the golden ages of the past.

MEXICO—WAR AND PEACE.

The adoption of a simple policy of peace by the President and his great Secretary of State stands out conspicuously as the crowning achievement of this administration. It is an achievement more salutary than any statute, more beneficial than any law.

On assuming control of the Federal Government the Democratic administration inherited from its Republican predecessor the responsibility of terminating a reign of terror and bringing order out of chaos in our sister Republic south of the Rio Grande. Mexico was a veritable inferno of insurrection. Warfare was raging all over that distracted country with the fierceness and fury of barbarism. It was a war of extermination, in which brother was arrayed against brother, son against father, and father against son.

The Mexicans became so regardless of the rights of our citizens and so insolent in their conduct toward this Nation that a great clamor was raised by unthinking people for this Government to declare war against the wretched, bleeding people of Mexico. Indeed, in April of this year popular feeling ran so high that it became apparent that a declaration of war by the Congress against Mexico would meet with almost unanimous approval. In the hour of excitement even women and children were voicing the popular sentiment and repeating the battle cry of 1847, "On to Mexico!" Temporarily the Nation lost its reason, and our excited imaginations painted pictures of "camps and sieges and battles" and the triumphs and glories of military pageantry in all the vivid and alluring colors of the rainbow's hues. We seemed to hear the boisterous drumbeat and the martial notes of the wild, weird music of war. The inspiring strains of the silver-tongued bugle called us forth to the field of muster; we saw the red and the white and the blue of the Stars and Stripes enshrined in a halo of glory. The flag seemed to plead with us to carry it again to the heights of Chapultepec, where Gen. Scott's victorious army had hoisted it six and a half decades before. We felt some superhuman agency within urging us to go forth to slay our fellow men upon the field of battle.

If we had had an impulsive man or an ambitious military genius for President at that critical time, we would now be at war with Mexico and would have an invading army upon Mexican soil and a fleet of bombarding battleships in every Mexican port. At this moment thousands of our bravest and best would be sleeping in unmarked graves and worms would be feeding on their remains; thousands of others would be languishing in hospitals with their bodies mangled and bleeding, their limbs torn away by merciless shot and shell. Every home from which a loved and loving husband, father, brother, or son had gone, never to return, would have been filled with sorrow and gloom. Thousands of homes would be desolate; thousands of homes would have their "vacant chair."

At the end of such a war the Treasury would have been empty, the national debt would have been multiplied manyfold, the land would have been filled with widows and orphans who would have watered the soil with their tears, cripples on crutches would have been hobbling everywhere, business would have been prostrated, industry destroyed, and the jeweled hand upon the golden dial of progress would have been turned back a hundred years. Thrice and four times happy should we be that in this crisis the United States had Woodrow Wilson for its President—a friend to right, a foe to wrong, a lover of peace, a hater of war. Calmly, confidently, and courageously he held his head above the waves, until at last, by patience and persistence, through "watchful waiting," that is admittedly better than world-wide war, the usurping dictator, Victoriani Huerta, has been forced to flee from Mexico; his barbarous rule has ended, his blood-stained power has vanished, his reign of terror is over; the day is breaking and the sun of promise is once more rising with healing in his wings to guide the class-ridden and oppressed Mexican people toward prosperity, plenty, and peace.

A little while ago Republican politicians were clamoring for a vigorous Mexican policy and criticizing the Democratic administration for its moderation. But recent developments abroad have not only demonstrated the wisdom of the President's Mexican policy, but they have also proved that the international equilibrium was so delicately balanced that the assassination of an archduke and his consort was sufficient to drive half the world insane and put 10,000,000 soldiers at each other's throats. Meditate for a moment on the indescribable horrors of the war in Europe; think of the millions that are being crushed under the iron heel of militarism; think of civilization's remorseless return to medieval barbarism; reflect on all these things and then point out the man who does not devoutly thank his God for an administration that saved this country from the horrors and the woes of war.

If some ruthless political vandal could wipe out the Democratic tariff law, expunge the Democratic anti-trust laws, and disentitle us to all credit for the relief we have afforded the country through wise legislation, and yet leave to the people the Democratic administration's priceless policy of peace, for that heritage alone they would manifest their gratitude and provide for their future safety by electing a Democratic Congress to do their bidding for two more years.

WAR MEASURE.

The expenses of operating the Government are paid by revenue largely derived from duties on imported goods. The greater part of our imports come from those European countries which are now engaged in a disastrous war. As a result of this war our importations have declined to such an extent that during the next year we shall fail to collect more than a hundred million dollars in import duties that would certainly have been paid into the Treasury had normal conditions prevailed abroad. In these circumstances the administration was compelled to provide means for raising by internal taxation a sum equal to that we are about to lose by reason of the falling off of our custom receipts. We were confronted by an unfortunate situation, for which we were in nowise responsible, but which left us no choice as to our action.

The House promptly performed its patriotic duty by passing a "war measure," which will soon be acted upon by the Senate and become a law, and under the operation of which we shall raise about a hundred million dollars of additional revenue and fully protect the Treasury against the deficit in customs receipts. This measure is similar to the Spanish-American War measure, prepared and passed by the Republicans 15 years ago.

In their vain and desperate search for a campaign issue the Republican leaders are charging that the shortage in revenue is a result of the Underwood tariff law, and that there would have been no deficit if the Payne-Aldrich law had continued in force.

Indisputable facts are available to disarm Republican criticism and disprove Republican charges. From the time the Underwood tariff law went into effect until the end of the fiscal year 1914 it produced an aggregate of customs and income-tax receipts averaging $26,900,000 per month, as compared with an average of $26,600,000 per month that was raised under the Payne-Aldrich tariff law during the last year of its operation, or an average increase in favor of the Democratic law of $300,000 per month. In the face of these facts no one will honestly contend that the $100,000,000 we are seeking to raise by the so-called "war tax" is the result of any imperfections in the operation of the Underwood tariff law. It should be remembered that the Underwood tariff law made a reduction in the Republican tariff averaging almost $6 per capita. This new war measure simply has the effect of relevying one-sixth of the per capita tax the Democratic Party formerly abolished; thus the average consumer of the country will pay $5 less tariff per year with the new war measure in effect than he paid under the Republican Payne-Aldrich law. All reasonable men will commend the Democratic Party for the action it has taken to preserve the Nation's credit and protect the United States Treasury against a loss occasioned by the European war.

Instead of bemoaning the fact that a hundred million dollars additional revenue has to be raised because of the ravages of a war 3,000 miles away, our pessimistic Republican friends

should be returning thanks to Almighty God for the wisdom and statesmanship of Woodrow Wilson and the Democratic Party, which have saved this Nation from a war at home and spared us the expenditure of untold millions of dollars and the loss of innumerable lives.

PARTY RECORD.

We submit to all fair and impartial people the record of this administration's achievements and make bold to assert that it has no model, no parallel, and no approach in the entire history of civilization. The Democratic Party has in 18 months restored the Government to the people's hands. The value of this service can not be estimated by any known process of mathematical calculation, and can not be expressed in human terms.

By virtue of Democratic legislation the people are now in charge of the currency system; through Democratic Representatives the people have made for their own use and protection a tariff law; through Democratic Representatives and for their own benefit they have made innumerable other laws.

The Democratic Party found the legislative power in servitude to the trusts; it has emancipated the servant and made the master amenable to law; it found the Government in captivity to the special interests; it has set the captive free, and it is now for the voters to say whether the Government shall continue to enjoy its freedom or be again enslaved. In a little while the people will exercise the high privilege and discharge the patriotic duty of choosing from one of the two old parties their Representatives for the next two years. The choice is of vast importance, for its result will determine whether this Government shall be by and in the interest of a few or by and for the benefit of all. There is the old stand-pat Republican Party, so antiquated that millions of progressive men have deserted it and no new recruit can be induced to join it. The masses of the Republican Party are patriotic, honest, and sincere, but through the self-aggrandizement, the inefficiency, the ambition, and the greed of its leaders it has lost its power to do good.

Through its partnership with the tariff barons and the trusts it has become antagonistic to the best interests of the common people who once supported it and made it invincible. Now its only advocate is a subsidized press; its votaries are the special interests and its flatterers the trusts for whose sole benefit it has run counter to public opinion, repudiated every holy tradition, and sacrificed every fundamental of popular government. It is the party of Aldrich and Cannon and Penrose and Barnes. Top-heavy with bosses, infested by factions, and torn with strife, the Republican Party trembles on the brink of the grave.

Speaking of graves and kindred subjects, a few days ago the distinguished gentleman from Illinois [Mr. MANN]—and he is "distinguished," and in brains a head and shoulders above any other man in his party, but unfortunately he is a reactionary—referred to the proceedings in this House as the funeral services of the Democratic Party. I remind my friend that the Democratic Party is the oldest undertaker on this continent. [Laughter.] It began to bury political parties a hundred years ago, and it is still doing business at the same old stand. [Applause on the Democratic side.] In the words of George R. Wendling, a great man, the Democratic Party buried the Whig Party, the Democratic Party buried the Free Soil Party, the Democratic Party buried the Greenback Party, and on the 3d day of November the old Republican Party will die, unrepenting, unforgiven, and unredeemed; and on account of the peculiar condition of the corpse we will perform the funeral ceremony without delay. This will be a funeral without music, without mourners, without flowers, and with no resurrection of the body. [Laughter on the Republican side.] We will carve on the rude slab that marks your resting place these words, "The wicked run well for a season, but they shall be cut off, and that without remedy."

On the other hand, the voters are invited to let their weary eyes repose on the old Democratic Party—the oldest party in existence; the party "that never sold the truth to serve the hour"; the party that has remained true to its traditions and its ideals, whether in the morning of victory or in the midnight of disaster and defeat. Since the day of its birth it has guarded the rights of the common people as the shepherd guards his sheep. The Democratic Party is the party of patriotism and principle, the party of Jefferson and Jackson, the party of Underwood and Clark, the party of Wilson and Bryan. [Applause on the Democratic side.]

The Republican Party has stood for a protective tariff tax to be paid by the consuming many for the benefit of the favored few; Democracy says take the protection off and let the consumer purchase an article for what it is worth and without paying tribute to any trust. The Republican Party has permitted the monopolies to run the Government and the predatory interests to rule the land. Democracy demands that the people shall run their own Government and rule themselves. [Applause on the Democratic side.] Democracy demands that the people from whom this Government derives its every just power, that the people who pay the Government's taxes and bear its burdens in time of peace, that the people who meet the bayonet charge and shed their blood for their country in time of war—Democracy demands that these shall rule; that they shall enjoy their rights perpetually, and that their liberties shall never end. Between now and election day let the voters of the land rekindle every patriotic fire, and with their faces radiant in the light of the holy flame, with their minds filled with sacred memories and their hearts filled with sublime emotions, let them march in solid phalanx to the ballot box and say by their votes that this administration's principles and policies shall not perish from the earth. Let them say that for the next two years Woodrow Wilson shall be supported by a Democratic Congress that will hold up his hands and make possible the completion of all his reforms.

In this awful time of world-wide trouble, when thrones are tottering, when kingdoms are trembling, and when monarchies are being swept away, let the people say by their votes that they will stand by the President valiantly and faithfully while he makes this Republic the light of the world and brings this Government more nearly into harmony with all the precepts of the Prince of Peace. [Applause on the Democratic side.]

The SPEAKER pro tempore. The time of the gentleman from West Virginia has expired.

Mr. WEBB. Mr. Speaker, I yield to the gentleman from Missouri [Mr. IGOE].

The SPEAKER pro tempore. The gentleman from Missouri [Mr. IGOE] is recognized.

Mr. IGOE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon this bill and other legislation.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. IGOE] asks unanimous consent to extend his remarks in the RECORD upon this bill and other legislation. Is there objection?

Mr. MANN. Reserving the right to object, I shall not object to this one request, but I give notice that I shall object to more requests to insert remarks in the RECORD and political speeches until that right is given in some way to everybody, or until gentlemen have the opportunity for really talking on the floor. I really want to hear the cotton debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. WEBB. I yield one-half minute to the gentleman from Missouri [Mr. BOOHER].

Mr. BOOHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. Because of the notice I just gave, I object.

Mr. BOOHER. I am very sorry the gentleman objects.

Mr. BORLAND. I understand that unanimous consent has been given to gentlemen to extend their remarks on this bill.

The SPEAKER pro tempore. The gentleman so understands it.

Mr. BOOHER. My remarks are not intended to be on this bill, or I should have so stated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. MANN. For the reason stated I object.

The SPEAKER pro tempore. The gentleman from Illinois objects.

Mr. WEBB. Mr. Speaker, I yield to the gentleman from Illinois [Mr. BUCHANAN].

Mr. BUCHANAN of Illinois. Mr. Speaker, when this bill shall have become a law the wage earners of our country will have reason to rejoice. [Applause on the Democratic side.] It will be equivalent to a renewal of the Declaration of Independence in part, especially so far as it affects the freedom of speech, the freedom of the press, and freedom of assembly.

Some gentlemen who are opposing this bill seem to fear that this does not give the laborers of the country what they desire and what they have asked for so many years. I believe those who know the president of the American Federation of Labor and its executive council believe that they have some intelligence, and I believe that Samuel Gompers, the president of the American Federation of Labor, is one of the most intellectually brilliant men of my acquaintance, a man who is loyal to principle and whose fidelity to the cause of labor can not be questioned.

The president of the American Federation of Labor, in an editorial in the Federationist, after quoting in large type that part of the amendment that was put on to section 7 in the Senate—

The labor of a human being is not a commodity or an article of commerce—

claims that this was a most momentous victory when on September 2 the Senate passed the Clayton antitrust bill. He adds, further, that the opening statement of this section of the bill gives it strength and virility; and after summing up the amendments to what was old section 18, and which I believe is now section 20, he speaks approvingly of them. I believe he has not only the intelligence but the experience which entitles him to pass judgment upon these provisions, because as a result of the usurpation of judicial power in the issuance of injunctions and in the trial of alleged contempts he has faced imprisonment. And not only does he speak from his own experience, but he and his associates have had the benefit of the ablest counsel whom they could secure, and those able attorneys have also had experience in defending them against injunction and contempt proceedings. Therefore it seems to me that they are in a position to know whether or not this gives American workingmen the protection they have sought for so many years.

In 1906, Mr. Speaker, the labor unions of the country presented what was known at that time as "the bill of grievances," addressed to the President of the United States, the President of the Senate, and the Speaker of the House, as follows:

WASHINGTON, D. C., *March 21, 1906.*

Hon. THEODORE ROOSEVELT,
President of the United States;
Hon. WM. P. FRYE,
President pro tempore, United States Senate;
Hon. JOSEPH G. CANNON,
Speaker House of Representatives, United States.

GENTLEMEN: The undersigned executive council of the American Federation of Labor, and those accompanying us in the presentation of this document, submit to you the subject matters of the grievances which the workmen of our country feel by reason of the indifferent position which the Congress of the United States has manifested toward the just, reasonable, and necessary measures which have been before it these past several years, and which particularly affect the interests of the working people, as well as by reason of the administrative acts of the executive branches of this Government and the legislation of the Congress relating to these interests. For convenience the matters of which we complain are briefly stated, and are as follows:

The law commonly known as the "eight-hour law" has been found ineffective and insufficient to accomplish the purpose of its designers and framers. Labor has, since 1894, urged the passage of a law so as to remedy the defects, and for its extension to all work done for or on behalf of the Government. Our efforts have been in vain.

Without hearing of any kind granted to those who are the advocates of the eight-hour law and principle, Congress passed and the President signed an appropriation bill containing a rider nullifying the eight-hour law and principle in its application to the greatest public work ever undertaken by our Government, the construction of the Panama Canal.

The eight-hour law in terms provides that those intrusted with the supervision of Government work shall neither require nor permit any violations thereof. The law has been grievously and frequently violated. The violations have been reported to the heads of several departments, who have refused to take the necessary steps for its enforcement.

While recognizing the necessity for the employment of inmates of our penal institutions so that they may be self-supporting, labor has urged in vain the enactment of a law that shall safeguard it from the competition of the labor of convicts.

In the interest of all of our people and in consonance with their almost general demand, we have urged Congress for some tangible relief from the constantly growing evil of induced and undesirable immigration, but without result.

Recognizing the danger of Chinese immigration, and responsive to the demands of the people, Congress years ago enacted an effective Chinese-exclusion law, yet despite the experience of the people of our own country, as well as those of other countries, the present law is flagrantly violated, and now, by act of Congress, it is seriously proposed to invalidate that law and reverse the policy.

The partial relief secured by the laws of 1895 and 1898, providing that seamen shall not be compelled to endure involuntary servitude, has been seriously threatened at each succeeding Congress. The petitions to secure for the seamen equal right with all others have been denied and a disposition shown to extend to other workmen the system of compulsory labor.

Under the guise of a bill to subsidize the shipping industry a provision is incorporated, and has already passed the Senate, providing for a form of conscription which would make compulsory naval service a condition precedent to employment on privately owned vessels.

Having in mind the terrible and unnecessary loss of life attending the burning of the *Slocum* in the harbor of New York, the wreck of the *Rio de Janeiro* at the entrance to the Bay of San Francisco, and other disasters on the waters too numerous to mention, in nearly every case the great loss of life was due to the undermanning and the unskilled manning of such vessels, we presented to Congress measures that would, if enacted, so far as human law could do, make impossible the awful loss of life. We have sought this remedy more in the interests of the traveling public than in that of the seamen, but in vain.

Having in mind the constantly increasing evil growing out of the parsimony of corporations, of towing several undermanned and unequipped vessels called "barges" on the high seas, where, in case of storm or stress, they are cut loose, to drift or sink and their crews to perish, we have urged the passage of a law that shall forbid the towing of more than one such vessel unless they shall have an equipment and a crew sufficient to manage them when cut loose and sent adrift, but in vain.

The antitrust and interstate-commerce laws enacted to protect the people against monopoly in the products of labor and against discrimination in the transportation thereof, have been perverted, so far as the laborers are concerned, so as to invade and violate their personal liberty, as guaranteed by the Constitution. Our repeated efforts to obtain redress from Congress have been in vain.

The beneficent writ of injunction intended to protect property rights has, as used in labor disputes, been perverted so as to attack and destroy personal freedom, and in a manner to hold that the employer has some property rights in the labor of the workmen. Instead of obtaining the relief which labor has sought it is seriously threatened with statutory authority for existing judicial usurpation.

The Committee on Labor of the House of Representatives was instituted at the demand of labor to voice its sentiments, to advocate its rights, and to protect its interests. In the past two Congresses this committee has been so organized as to make ineffectual any attempt labor has made for redress. This being the fact, in the last Congress labor requested the Speaker to appoint on the Committee on Labor Members who, from their experience, knowledge, and sympathy, would render in this Congress such service as the committee was originally designed to perform. Not only was labor's request ignored, but the hostile make-up of the committee was accentuated.

Recently the President issued an order forbidding any and all Government employees, upon the pain of instant dismissal from the Government service, to petition Congress for any redress of grievances or for any improvement in their condition. Thus the constitutional right of citizens to petition must be surrendered by the Government employee in order that he may obtain or retain his employment.

We present these grievances to your attention because we have long, patiently, and in vain waited for redress. There is not any matter of which we have complained but for which we have, in an honorable and lawful manner, submitted remedies. The remedies for these grievances proposed by labor are in line with fundamental law, and with the progress and development made necessary by changed industrial conditions.

Labor brings these its grievances to your attention because you are the Representatives responsible for legislation and for failure of legislation. The toilers come to you as your fellow citizens, who, by reason of their position in life, have not only, with all other citizens, an equal interest in our country, but the further interest of being the burden bearers, the wage earners of America. As labor's representatives we ask you to redress these grievances, for it is in your power so to do.

Labor now appeals to you, and we trust that it may not be in vain. But if perchance you may not heed us, we shall appeal to the conscience and the support of our fellow citizens.

Very respectfully,

SAMUEL GOMPERS,	DANIEL J. KEEFE,
JAMES DUNCAN,	WM. D. HUBER,
JAMES O'CONNELL,	JOSEPH F. VALENTINE,
MAX MORRIS,	JOHN B. LENNON,
DENNIS A. HAYES,	FRANK MORRISON,

Executive Council American Federation of Labor.

List of representatives of labor associated with the executive council of the American Federation of Labor in the presentation of labor's grievances, March 21, 1906.

John C. Schmidt, Bakers and Confectioners' International Union of America.

Rudolph Shirra, Bakers and Confectioners' International Union of America.

Thomas H. Lockwood, Pocketknife Blade Grinders and Finishers' National Union.

Thomas R. Keenan, Brotherhood of Boiler Makers and Iron Shipbuilders of America.

Peter L. Mitchell, Brotherhood of Boiler Makers and Iron Shipbuilders of America.

James F. Speirs, Brotherhood of Boiler Makers and Iron Shipbuilders of America.

John J. Frey, Iron Molders' Union of North America.

Ed F. Weber, International Association of Glass House Employees.

Hugh Falvey, American Brotherhood of Cement Workers.

F. C. Gengenback, American Brotherhood of Cement Workers.

P. H. Malloy, American Brotherhood of Cement Workers.

J. J. Crowley, the Granite Cutters' International Association of America.

John Lyons, the Granite Cutters' International Association of America.

Frank McArdle, International Brotherhood of Foundry Employees.

Cornelius P. Shea, International Brotherhood of Teamsters.

Thomas C. Fox, International Brotherhood of Teamsters.

James F. Fitzgerald, Pulp, Sulphite, and Paper Mill Workers.

James F. Fitzgerald, Pulp, Sulphite, and Paper Mill Workers.

Timothy Healy, International Brotherhood of Stationary Firemen.

N. A. James, International Brotherhood of Stationary Firemen.

H. E. Burns, International Brotherhood of Stationary Firemen.

F. M. Nuse, International Brotherhood of Stationary Firemen.

Christian Schlag, International Brotherhood of Stationary Firemen.

William McPherson, International Carriage and Wagon Workers.

William M. Merrick, Plumbers, Gas Fitters, Steam Fitters, and Steam Fitters' Helpers of the United States and Canada.

Joseph H. Gallagher, Plumbers, Gas Fitters, Steam Fitters, and Steam Fitters' Helpers of the United States and Canada.

John R. Alpine, Plumbers, Gas Fitters, Steam Fitters, and Steam Fitters' Helpers of the United States and Canada.

P. H. Cummins, International Brotherhood of Blacksmiths.

J. W. Kline, International Brotherhood of Blacksmiths.

Charles T. Smith, International Steel and Copper Plate Printers' Union of North America.

E. L. Jordan, International Steel and Copper Plate Printers' Union of North America.

T. L. Mahan, International Steel and Copper Plate Printers' Union of North America.

William Dodge, Paving Cutters' Union of the United States and Canada.

James J. Dunn, Glass Bottle Blowers' Association of the United States and Canada.

William Launer, Glass Bottle Blowers' Association of the United States and Canada.

Frank Feeny, International Union of Elevator Constructors.

Charles Hank, International Brick, Tile, and Terra Cotta Workers' Alliance.

Henry Nolda, Upholsterers' International Union of North America.

Charles E. Lawyer, International Tin Plate Workers' Protective Association of America.
George Powell, International Tin Plate Workers' Protective Association of America.
W. J. McSorley, International Union of Wood, Wire, and Metal Lathers.
R. V. Brandt, International Union of Wood, Wire, and Metal Lathers.
W. S. Crown, American Federation of Musicians.
C. P. Huestis, American Federation of Musicians.
Charles Derlin, American Federation of Musicians.
Thomas F. Ryan, Amalgamated Sheet Metal Workers' International Alliance.
Daniel L. Desmond, Amalgamated Sheet Metal Workers' International Alliance.
Joseph A. Daly, Amalgamated Sheet Metal Workers' International Alliance.
W. F. Gilmore, Amalgamated Society of Carpenters and Joiners.
George G. Griffin, United Brotherhood of Carpenters and Joiners.
William M. Lewis, Brotherhood of Painters, Decorators, and Paper Hangers of America.
Frank X. Noschang, Journeymen Barbers' International Union.
Thomas O. Hughes, International Union of Slate Workers.
G. M. Huddleston, International Slate and Tile Workers' Union of America.
Ben Russell, International Slate and Tile Workers' Union of America.
Thomas F. Tracy, Cigar Makers' International Union of America.
J. A. Roberts, Cigar Makers' International Union of America.
Martin Helmuth, Amalgamated Meat Cutters and Butcher Workmen of North America.
W. E. Thompson, International Ceramic, Mosaic, and Encaustic Tile Layers and Helpers' Union.
C. O. Pratt, Amalgamated Association of Street and Electric Railway Employees of America.
T. C. Parsons, International Typographical Union.
John P. Murphy, Boot and Shoe Workers' Union.
John J. Binder, International Union of United Brewery Workers.
John Mangan, Steam Fitters' International Union.
James M. Cumming, Steam Fitters' International Union.
Charles N. Isler, Steam Fitters' International Union.
Henry Fischer, Tobacco Workers' International Union.
William Feenie, United Powder and High Explosive Workers of America.
James G. McCrindle, United Powder and High Explosive Workers of America.
Andrew Furuseth, International Seamen's Union of America.
J. L. Feeney, International Brotherhood of Bookbinders.
Rodney L. Thixton, International Stereotypers and Electrotypers' Union of North America.
Michael J. Shea, International Stereotypers and Electrotypers' Union of North America.
James F. Splann, International Stereotypers and Electrotypers' Union of North America.
F. M. Ryan, International Association of Bridge and Structural Iron Workers.
P. J. McArdle, Amalgamated Association of Iron, Steel, and Tin Workers.
Martin Higgins, International Printing Pressmen's Union.
John Golden, United Textile Workers of America.
J. T. Carey, International Brotherhood of Paper Makers, etc.
Thomas Meller, International Brotherhood of Paper Makers, etc.
H. B. Perham, The Order of Railroad Telegraphers.
J. F. McCarthy, Central Labor Union, Washington, D. C.
Charles W. Winslow, Central Labor Union, Washington, D. C.
Shelby Smith, Allied Printing Trades Council, Philadelphia, Pa.
John Fitzpatrick, Chicago Federation of Labor.

Labor's appeals in 1906 to our national administrative and legislative officers were then received with indifference and without redress, and they did not receive favorable consideration until the Democratic Party got control. It has been said that labor now has the legal and constitutional right to do the things the judges are forbidden to enjoin them from doing in this bill, which is true. It has been by the usurpation of power by the judges, perverting the laws, that this legislation has been made necessary. Judges have enjoined the organizations of workers of the country from exercising their legal and constitutional rights through their organizations.

When the Sherman antitrust law of 1890 was under consideration it was admitted that the provisions thereof did not apply to labor unions; but in order to make the bill clear beyond dispute, although he did not think it necessary, Senator Sherman offered and supported the following amendment, which had been proposed by Senator George, of Mississippi:

This act shall not be construed to apply to any arrangements, agreements, or combinations between laborers made with a view of lessening the number of hours of labor or the increasing of wages, nor to any arrangements, agreements, or combinations among persons engaged in horticulture or agriculture made with a view of enhancing the price of agricultural or horticultural products.

This amendment passed the Senate unanimously, but was subsequently dropped from the bill because in the opinion of those Senators who had charge of the measure it was unnecessary, because under no possible construction would the court include such organizations under the provisions of the act.

The Sherman law was only two years and a few months old when a suit was filed in the Circuit Court of the United States for the Eastern District of Louisiana, the object of which was to obtain an injunction preventing the defendants, the Workingmen's Amalgamated Council of New Orleans, from further prosecuting a general strike or cessation of labor which had been ordered and carried on by the council. In support of its prayer for the injunction, the bill of complaint stated the strike was operating to restrain interstate commerce.

Two of the defenses offered related to the antitrust law: First, that that law was not applicable to combinations of laborers. Second, that the object of the strike had been to compel employers to employ no laborers except those belonging to the union, which object, if accomplished, would not result in any restraint of interstate commerce.

Both of these defenses were overruled, the presiding judge in overruling the first-named giving utterance to the following significant words:

I think the congressional debates show that the statute had its origin in the evils of massed capital, but when the Congress came to formulate the prohibition, which is the yardstick for measuring the complainants' rights for the injunction, it expressed it in these words: "Every contract or combination in the form of trust, or otherwise, in restraint of trade or commerce among the several States or with foreign nations is hereby declared to be illegal." The subject had so broadened in the minds of the legislators that the source of the evil was not regarded as material, and the evil in its entirely was dealt with. They made the interdiction include combinations of labor as well as capital; in fact, all combinations in restraint of commerce, without reference to the character of the persons who engaged in them. It is true that this statute had not been much expounded by the judges, but, as it seems to me its meaning, as far as it relates to the sort of combinations to which it is to apply, is manifest, and that it includes combinations which are composed of laborers acting in the interests of labor.

Thus in one of the first cases tried under the antitrust law and in the very first involving the rights of labor to combine, and in spite of the opinions and assurances of the very able Senators that by "no possible construction would the courts include such organizations under the provisions of the act," was the following statement and prediction of Senator Stewart justified:

The original bill has been very much improved, and one of the great objections has been removed from it by the amendment offered by Senator Sherman (for Senator George), which relieves the class of persons who would have been first prosecuted under the original bill without the amendment.

This statement was made during the consideration of the antitrust law and after the proviso of Senator George, offered by Senator Sherman, referred to above, had been passed by a unanimous vote.

In his annual report, December, 1893, Attorney General Richard Olney, who can hardly be accused of undue prejudice in favor of union labor, severely criticizes this decision in the case of the workingmen's council, although he does not mention it by name, saying that that decision illustrated the perversion of a law from the real purpose of its authors.

The purpose of the so-called exemption features of the Clayton bill is to remedy the antitrust laws by supplying the omission which, when the original was passed, was seen by many to be fraught with danger. Far from being "class legislation," the purpose of this feature of the bill is to prevent class legislation or the application by the courts of this legislation to a class. It is designed to give the combinations of workingmen the same rights that are now accorded to combinations of capital—the right to combine for their mutual interest and to act under that combination, so long as such acts are not accompanied by violence or fraud.

The fact of the matter is that under the perversion rather than the interpretation of the Sherman antitrust law by the Federal courts, that which is held to be law is founded upon neither justice nor common sense. The Federal courts have fallen into that error which places voluntary organizations of working people, organized not for profit but for humanitarian purposes, in the same category with the greedy trusts, corporations, and monopolies which control the products of labor and which speculate in the necessaries of the masses of the people. It is equal to placing human beings and human endeavor in the same scale with a ton of coal, a barrel of flour, or a bolt of cloth.

There was never any intention on the part of the Congress of the United States to include voluntary organizations of workers and labor unions in the Sherman antitrust law, and all that has transpired since the enactment of that law clearly demonstrates the necessity for the enactment of the principles of the Bartlett-Bacon bill, which we have embodied in this measure, as a remedy for the wrongful position in which organized labor has been placed by judicial interpretation and judicial legislation.

Those who value the liberty and the freedom of the wage workers of the country will indorse and support those who have served to make this legislation possible. The right to organize must not be jeopardized. It is necessary for the freedom of the wage workers of our country, whose freedom must be preserved, or a democratic republican Government can not exist. I feel justified in asking the indorsement and support of the workingmen and their friends in my efforts to secure the passage of the important legislation directly affecting labor since being a Member of Congress.

I desire to insert here an editorial by Samuel Gompers, president of the American Federation of Labor, to be found in the

March, 1914, number of the American Federationist, and also one in the current number of the same publication:

ANTITRUST LAW ENMESHES LABOR.

[By Samuel Gompers.]

If there was any doubt that the Sherman antitrust law, as interpreted by the courts, threatens the very existence of organized labor, that has been effectually vanquished by the recent action of the Federal grand jury in making an investigation into the affairs of the Allied Printing Trades Council of New York City. Those who have been opposed to the efforts of the American Federation of Labor to secure legislation which would remove labor organizations from the perverted application of the trust law have lost no opportunity to create the impression that the purpose of labor's legislation is to secure legal sanction for acts of violence and destruction. They have ever tried to divert attention from the real significance of the facts as expressed in the opinion of the United States Circuit Court in the case of the Workingmen's Amalgamated Council of New Orleans, which made this plain statement of the menace to organized labor:

"I think the congressional debates show that the statute had its origin in the evils of massed capital; but when the Congress came to formulating the prohibition which is the yardstick for measuring the complainant's right to the injunction it expressed it in these words: 'Every contract or combination in the form of a trust or otherwise in restraint of trade or commerce among the several States or with foreign nations is hereby declared to be illegal.' The subject had so broadened in the minds of the legislators that the source of the evil was not regarded as material, and the evil in its entirety is dealt with. They made the interdiction include combinations of labor as well as of capital; in fact, all combinations in restraint of commerce, without reference to the character of the persons who enter into them. It is true this statute has not been much expounded by judges; but, as it seems to me, its meaning, as far as relates to the sort of combinations to which it is to apply, is manifest, and that it includes combinations which are composed of laborers acting in the interests of laborers."

This was the initial endeavor to pervert the application of a law intended to benefit the working people by curbing combinations to increase profits, to manipulate and to speculate in the products of toil.

An opinion emphasizing that prosecution under the Sherman antitrust law was directed against combination, or what labor terms organization, was rendered by the Federal Supreme Court in the Hatters' case. In summing up the reasons for bringing the United Hatters under the terms of the Sherman law the court said:

"That the conspiracy or combination was so far progressed that out of 82 manufacturers of this country engaged in the production of fur hats 70 had accepted the terms and acceded to the demands that the shops should be conducted in accordance, as far as conditions of employment were concerned, with the will of the American Federation of Labor; that the local men demanded of plaintiffs that they should unionize their shop under peril of being boycotted by this combination, which demand defendants declined to comply with; that thereupon the American Federation of Labor, acting through its official organ and through its organizers, declared a boycott."

Now comes this investigation of the organization of the Printing Trades Council of New York and vicinity. It seems that these trades by causing union conditions to prevail generally in the printing shops of the city and by announcing through the union label what work was done under conditions that safeguard the lives, the health, and the welfare of the workers, have incurred the attention of the antiunion publishing house of Doubleday, Page & Co., and that this company complained to the agents of justice. The degree of success which the printing trade organizations attained was their offense in the eyes of complainants and which were laid before the district attorney and by him before the grand jury.

This effort to apply the provisions of the Sherman antitrust law to combinations of workers aims at the very existence of effective organizations. What shall it profit the workers to have an organization that is not effective? And what shall be the fate of the workers without an organization? Can anyone with a mind and a heart, who knows the greed and the brutality of the industrial world, be so inhuman as to desire to strip the workers of their one protection? Would any humane person wish to force each printer or each bookbinder to make his own working agreement with the agents of the great wealthy publishing houses? Does any vainly imagine that the workers could secure any of their claims to justice if they did not have some way of making those claims effective? Few employers look upon industry as an economic laboratory for evolving principles of economic justice. Unorganized workers toil under conditions that destroy health, exhaust the working power, and make inroads upon the reserve forces. Organization of the working people is necessary not only for their progress and conservation, but for the welfare of the whole Nation.

Not only have combinations or organizations on the part of the workers been considered crime, but certain methods of attaining the normal, laudable purposes of the organization have been proscribed. At some time or other the Federal courts have assumed the right to declare illegal and criminal all the normal, necessary, beneficial, and protective activities of the officials and members of labor organizations. Free workingmen have been told that although each one has a legal right to stop work for any reason or for no reason, that when a number of them agree for their common protection to do that which they have a lawful and natural right to do their action becomes a conspiracy.

In order to hold the activities of the organized workers illegal it has been necessary to evolve a peculiar legal theory—although certain acts are deemed legal when performed by one person, by some legal legerdemain they become illegal when done by more than one.

Although labor organizations have been declared by courts "not only lawful, but highly beneficial," legal proceedings have been instituted against its members and agents for distributing strike funds, that workers in revolt against intolerable conditions might have bread for themselves, their wives, and their children; workers have been forbidden to tell or to publish the reasons why they were willing to make a struggle for better conditions.

Let no one think that strikes are undertaken without seriousness and full consciousness of the hardships and the suffering to the striker and those dear to him. Yet it happened in Philadelphia that when sweated workers in the garment trades, after drudging long, weary hours for a pitiful pittance that was insufficient to provide the common decencies of life, asserted their rights as self-respecting free women and struck in order to secure any consideration of their needs and claims to justice there were women who tried to help them because they were heartsick at the misery and exploitation of these needlewomen, and their sense of justice revolted at the wrongs. What was the reward of these unselfish women, concerned about the welfare of their less fortunate sisters? They were proceeded against under the Sherman antitrust law for conspiracy in restraint of trade.

Are the people of these United States willing that human bodies, human minds, and human hearts shall longer be counted as of less value than trade and profits?

Of the creating of trade and profits there is no end; but who among men can heal minds that have been embittered and poisoned by injustice, health that has been wrecked by cruel drudgery, bodies that were not permitted to develop during the growing period?

Wrongs done to human bodies and souls can never be righted. The workers ask legislation that shall enable them to prevent the occurrence of these wrongs. Shall their rights be deemed of less value than property rights?

The men who are said to be interested in the proceedings begun against the printers of New York City have in interviews given to the press called attention to the printing trades label and the circulating of information regarding the attitude of employers toward organized labor. The union label is the proof that work was done under conditions which protect the health and the life of the workers, by workers who have been trained for their work, who have working hours that conserve vitality, and who receive wages that enable them to live like human beings with ideals and aspirations.

The organized workers must choose between two courses. They must either insist upon their standards, which protect the lives and promote the well-being of the workers, use every means to combat poorer standards that prevail under the unfair companies, or they must see better wages, better working conditions replaced by lower wages and poorer conditions. They must force poorer conditions to give way to the better or the poorer will force the better to give place to them.

Organized labor believes that these conditions should prevail. They wish to do all in their power to establish them. Have they not a right to information that shall enable them to spend their wages for articles that have been made under the best conditions obtainable? Each workingman has not the time or the opportunity to get this information for himself. By cooperative effort a natural, easy way has been established to protect the welfare of the workers. It has been effective.

Now, because certain interests hostile to organized labor wish to withhold from the workers the leisure, the working conditions, the wages that are justly due them, shall the trade union label be proscribed as an illegal agency in restraint of trade? Are there those willing to assume the responsibility to deny the right to use of the trade union label? Such an action would restrain trade in goods made under union conditions in order to facilitate trade in goods made under conditions that breed diseases which endanger not only the worker, but all those who use the products they make, and that waste the vitality, the producing power of the people, which is the Nation's greatest wealth.

Denying the right to use the trade-union label is a way of restricting the rights of the workers to full control over their purchasing power. Surely the right to spend his wages in such a way as promotes his best interests is an inherent right of every man, yea, even of every burden bearer of the country.

However the workers may wish to bestow their patronage, it is theirs to bestow. It belongs to no other man.

Patronage is a favor that must be sought and earned. No dealer can command it. No dealer can call it his property—'tis his, 'tis another's, according to the fancy of those who buy. It is a right which each buyer exercises according to his own conceptions and needs. The dealer who receives it is fortunate, but he can not count himself illegally injured when it is withdrawn. Patronage is a personal right, not a property right.

Men of all ages have claimed and exercised the right to boycott for a principle. Our colonial forefathers boycotted English tea and English stamps. The Consumers' League boycotts the products of sweatshops. The United States Post Office boycotts certain publications. The Anti-Saloon League boycotts certain products. Shall those who contribute a necessary work to American industry be denied the right to bestow their patronage in a way that furthers their interests? Why the discrimination?

This question of social and economic justice resolves itself into a clear-cut issue. Shall the rights of the working people, the great masses of the people of the United States, be withdrawn in order to bestow special privileges upon certain employers to assure them profits, however unjustly to their employees their business affairs may be conducted?

That line of action is not the wish of the American people as they declared their desires in the last election. The candidates representing the principles enunciated in the two political platforms which declared in favor of the legislation which the workers demand received 10,412,977 votes, as opposed to the 3,484,974 votes cast for the other big party that refused to indorse labor's demands. Can anyone truthfully declare that the people are not in sympathy with that which the workers demand as necessary for their welfare? The spirit of the age is sympathetic, humane. The people desire the welfare of human beings and seek information how best to promote their purpose.

That which is most urgent, most imperative, is the legislation which the organized-labor movement is seeking—legislation which will safeguard to all the workers those fundamental rights without which they are helpless to maintain their freedom and to protect themselves.

Organized labor makes these demands not only for themselves but for all the workers, aye, for all the people. It is better able to interpret the needs of the workers than is organized capital. The farming interests of the country indorse labor's position. These two elements represent a large and substantial proportion of the Nation. They ask that they be accorded justice by the laws and the courts of the land. They ask that human beings shall no longer be classified in the same category with the things which they produce. They ask that printers, carpenters, hat makers shall not be treated as things, but as men and women with all of the desires, ambitions, feelings of other human beings. This is what they are pressing home upon the consciences of the lawmakers.

This is the principle which is embodied in the Bartlett-Bacon bill, now pending in Congress. The workers of all parts of the country are demanding that the principle of this bill be enacted into law. That demand is founded upon the realization that this legislation is necessary to protect their right to make trade agreements. That demand is a plea for justice. Let those who make the laws for the people give heed to the demand for human rights. The invasion of one right means danger to all rights. Safeguarding this right means that all other rights shall be safer. Organized labor will be satisfied with nothing but full recognition of the principle for which it has been contending. It now appeals to the hearts, minds, and sense of justice of the lawmakers.

LABOR NOT A COMMODITY.

[By Samuel Gompers.]

This great principle is about to be established as a law of our land: "The labor of a human being is not a commodity or an article of commerce." The fight which the workers of America have waged for that principle with unfailing persistence and determination resulted in a momentous victory when, on September 2, the Senate passed the Clayton antitrust bill.

The Senate Judiciary Committee reported the bill with some amendments. None of these materially modified the labor sections of the bill except the amendment striking out the clause of section 18 which provided for the right to picket. When the labor sections were under discussion Senator CUMMINS offered a substitute for section 7 of the bill, which contained a definite declaration of the meaning of labor power, and provided for the right of existence and operation of labor organizations, limitation and regulation of the issuance of injunctions, the right to picket and to withhold or bestow patronage, the right of peaceful assemblage. But the substitute omitted one important feature contained in the Clayton bill as reported by the Senate Judiciary Committee and was thereupon defeated. But the declaration of a fundamental principle contained in Senator CUMMINS's substitute was then proposed by the Judiciary Committee on the floor of the Senate in this language:

"The labor of a human being is not a commodity or an article of commerce."

Section 7 as passed by the Senate is as follows:

"That the labor of a human being is not a commodity or article of commerce. Nothing contained in the antitrust laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit, or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objects thereof, nor shall such organizations, orders, or associations, or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade under the antitrust laws."

The opening statement of this section of the bill gives it strength and virility. This declaration removes all possibility of interpreting trust legislation to apply to organizations of the workers and their legitimate associated activities. This declaration recognizes the essential difference between the labor power of the worker and that which he produces. Governmental regulations, trust laws, may rightfully apply to the products of labor, but they do not rightfully apply to the labor power of a free man. The debates in Congress upon this principle prove most conclusively the broad humanity and desire for human welfare that characterize the minds of the statesmen who enacted this legislation. This principle which for years could find little favor among those in authority is now an accepted principle of industrial freedom. The amendment to section 7 was accepted by the Senate without a dissenting voice.

As a substitute for the picketing clause of section 18 which the Judiciary Committee has stricken out the Senate adopted the following: "Or from attending at any place where such person or persons may lawfully be for the purpose of peacefully obtaining or communicating information." This was also accepted without a dissenting voice. This section of the bill was further strengthened by amending the last clause to read "nor shall any of the acts specified in this paragraph be considered or held to be violations of any law of the United States."

The bill was sent to conference. It is understood that the labor sections of the bill have been agreed to by the conferees, and that an early report is expected upon the bill.

The workers of America have won a great victory for themselves and for all humanity. The principle and the rights incorporated in labor provisions of the Clayton antitrust bill will be the foundation upon which the workers can establish greater liberty and greater opportunity for all those who do the beneficent work of the world.

Mr. Speaker, I would like very much to have the right to extend my remarks in the RECORD, to include other legislation, and to incorporate in my remarks this bill of grievances, because several Members have asked me what it was.

The SPEAKER pro tempore. Does the gentleman make that request?

Mr. BUCHANAN of Illinois. I should like to make brief statements in regard to other legislation that has passed Congress.

Mr. MOORE. Reserving the right to object, is that the bill of grievances which was submitted to President Roosevelt?

Mr. BUCHANAN of Illinois. Yes.

Mr. MOORE. Do you intend to incorporate with that the reply that President Roosevelt then made?

Mr. BUCHANAN of Illinois. No; I have not got that. I have no objection to inserting it, if the gentleman will furnish it.

Mr. DONOHOE. Do we not understand that all gentlemen who speak on this proposition have the right to extend their remarks?

The SPEAKER pro tempore. Yes.

Mr. BUCHANAN of Illinois. I so understand, but I want to put in other matter, in regard to other labor legislation that has passed Congress. I am usually brief, and I shall not take up much space in the RECORD.

Mr. MOORE. I have reserved the right to object, merely to ask the gentleman if he intended to incorporate with that bill of grievances the reply that President Roosevelt made to Mr. Gompers?

Mr. BUCHANAN of Illinois. I have not got it. I do not know what it was.

Mr. MOORE. It ought to be included——

Mr. BUCHANAN of Illinois. I will not object to inserting it if the gentleman will furnish it.

Mr. MOORE. I will not object to the gentleman's request, but I think the President's reply ought to be included, in order to tell the whole story.

The SPEAKER pro tempore. Is there objection?

Mr. MANN. Mr. Speaker, I dislike very much indeed to object to the request of my colleague. I wish he could print in the RECORD any statement he wanted to, but for the reason already given I shall object.

The SPEAKER pro tempore. The gentleman from Illinois objects.

Mr. BUCHANAN of Illinois. Mr. Speaker, then I ask to insert this bill of grievances to which I have referred.

Mr. MANN. I think the gentleman has that right under the discussion of this bill.

Mr. KEATING. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. KEATING. Suppose a Member of this House in extending his remarks on this bill were to undertake to point out that this was the concluding act of a Democratic legislative program, would the Speaker hold that the Member could not mention the other items of that Democratic legislative program without violating the permission granted to the House?

The SPEAKER pro tempore. The Chair thinks he could not.

Mr. KEATING. He would be compelled to confine himself absolutely to the discussion of this one measure, and could not refer to the others?

The SPEAKER pro tempore. Under the order that would be so, in the opinion of the Chair.

Mr. WEBB. I ask my friend from Minnesota [Mr. VOLSTEAD] to use the remainder of his time.

Mr. VOLSTEAD. I yield the remainder of my time to the gentleman from Illinois [Mr. MANN].

The SPEAKER pro tempore. The gentleman from Illinois is recognized for eight minutes.

Mr. MANN. Is the gentleman from North Carolina going to conclude in one speech?

Mr. WEBB. Yes.

Mr. MANN. Mr. Speaker, I do not believe that any country in the history of the world ever had such an opportunity as this country now has to develop its own domestic commerce and to increase its foreign commerce. We ought, in my judgment, to be encouraging the production in our own country of many articles for which we are now wholly dependent upon foreign lands. [Applause on the Republican side.] I think we ought to be making our own dyestuffs, our own chemicals, our own medicinal preparations, and that instead of importing silks we ought only to import silk and manufacture it here, and that instead of exporting cotton to be manufactured abroad and then imported to this country from abroad we ought only to export that cotton which is to remain permanently out of this land. [Applause on the Republican side.]

With England, France, Germany, and Russia involved in a great European war, with other countries participating in a lesser degree, so far as numbers are concerned, we have the opportunity now by wise legislation to encourage our own people to build manufacturing institutions, to erect factories and enter upon new enterprises, to make America independent practically of foreign aid in commerce, and to give us an inlet into every foreign commerce with our manufactured articles. But instead of rising to the occasion, instead of understanding the situation, instead of giving encouragement to those who are willing to invest their money in these enterprises, we are doing everything we can to threaten and demoralize trade, to hold the penitentiary over men who invest capital, and to make men fear.

The country to-day is in a condition of fear. We have more currency in circulation than ever before, and less credit. With more money in the land, it is harder to get. It comes through fear largely, through threats of legislation.

Men do not invest in enterprises merely for the love of investment. They hope to make a profit. Without the expectation of reward business is not undertaken. A new factory will never be constructed unless some one believes that there is a chance to make money by it. But we seem to be legislating upon the theory that notwithstanding all that we do to prevent business, business will go on as usual.

Germany extended her foreign trade and increased her home production in a greater degree during a few years than has ever any other country of the world. How did she do it? Not by threatening to put everybody in jail who invested money. She encouraged business. I think it would be a very good time for us, with the world conditions as they are now, to stop trying to hamper business and to legislate so that we may increase our business and add to the prosperity of our land and of our people. [Applause on the Republican side.]

Mr. WEBB. Mr. Speaker, I yield two minutes to the gentleman from Indiana [Mr. GRAY].

Mr. GRAY. Mr. Speaker, while it may be true that this bill does not include full and complete provision for adequate relief against trusts, I am convinced that it is an improvement over existing law, and will be more effective to destroy monopoly, so far as it is possible to remedy these evils by regulation. And while I will give my support to this bill as the best obtainable measure for relief at this time by regulation, I confess that I am not optimistic as to the success of this or any anti-trust legislation to restore competition and equal opportunity to men in the world of industry and trade.

The greed for wealth and power is never satisfied, and I do not believe that the interests which have organized these combinations will ever submit to regulation or allow this or any other law to be enforced against them. They have become the rivals in power of the Government itself, and they will use the power they have thus acquired to resist all attempts at regulation and control.

We have to-day three general systems of industry of which we know—the competitive system of industry, under which prices are fixed and determined by competition or by the selling rate of the lowest producing factor—the monopolistic system of industry, under which prices are fixed by the arbitrary rule of controlling interests and at the highest point within the ability of the consuming public to pay, or monopoly for the benefit of the especial few; and socialism, or the cooperative system of industry, under which prices are determined by the actual cost of production, or monopoly for the benefit of all the people.

While I favor the competitive system of industry as stimulating individual effort, responsibility, and initiative, yet when all antitrust remedies shall have been exhausted and regulation fails to restore competition and equal opportunity in the industrial world, and when I must choose between private monopoly, for the benefit of the few, and the cooperative system, or monopoly for the benefit of all the people. I will choose cooperation and collective ownership. I will choose monopoly for all the people before I will submit to private monopoly for the exploitation of the masses for the benefit of the few. If trusts and monopolies must exist, let them be operated for the public good and not for selfish gain. If competition can not be restored, let the people own the trusts. [Applause.]

Mr. WEBB. Mr. Speaker, has the gentleman from Minnesota used all his time?

The SPEAKER. The gentleman from Minnesota has one minute remaining.

Mr. MANN. How much time has the gentleman from North Carolina?

The SPEAKER. The gentleman from North Carolina has 24 minutes.

Mr. WEBB. Mr. Speaker, I shall not occupy the 24 minutes, but I am glad my friend from Minnesota [Mr. VOLSTEAD] has not occupied quite all his time. It is an answer to the criticism of the gentleman from Wisconsin [Mr. NELSON] that this bill has been passed through the House and the Senate in an unfair and partisan manner. I appeal to the gentleman's fairness to say if he ever knew of any measure framed by a party to be passed through both Houses with less partisanship and unfair methods than this trust bill. We allowed 20 hours for debate. We threw the bill wide open for amendment, and the gentleman knows that we accepted amendments from his side of the House with the same frankness that we would have accepted them from this side. As far as I am concerned, the idea of partisanship never entered my mind during the entire consideration of the bill. When it came back to the House on the conference report, if we had desired to shut off debate from the other side we could have done it within an hour or less time. Instead we let you have more time than you actually wanted to use.

Mr. LEVY. Mr. Speaker, will my colleague allow me——

Mr. WEBB. No. I can not yield now.

Mr. LEVY. The gentleman will not give me any time.

Mr. WEBB. So, Mr. Speaker, I believe my Republican friends will agree that this bill has been passed through the House with as little partisanship for its magnitude as any bill has ever been passed through this body. My friend from Wisconsin [Mr. NELSON] complains that we allow in sections 2 and 4, as he says, the selling of articles abroad cheaper than at home. He did not mean to say that, I am sure. We permit the discrimination in price by American manufacturers in foreign countries, but we do not exempt them from the Sherman anti-trust law. We have not changed the law at all with reference to foreign sales. I ask my friend if he would deny the American manufacturer the right to sell at different prices to foreign countries, and if he would make it a crime if he did do it? I believe in being fair and frank with ourselves and with the country.

Again, Mr. Speaker, he complains that we put exceptions in the section, and I ask him again if he would put a man in jail who discriminated in price because he sold one man in bulk or one man a better or poorer quality than he sold another? Would he put him in jail for that?

Mr. NELSON. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Yes.

Mr. NELSON. Does the gentleman expect me to answer these inquiries?

Mr. WEBB. I would be very glad to have the gentleman answer them if he can do it categorically.

Mr. NELSON. The gentleman will remember that I stated that you pretended to prevent discrimination in price. Now, why was it necessary to suggest all these loopholes?

Mr. WEBB. Mr. Speaker, I will answer that immediately, by saying that we have not suggested a loophole, but only stated exceptions, which ought to be a defense in any suit for discrimination in price. I ask my friend if he would put a man in jail who discriminated in price under those circumstances; and does he not know that if we had left those exceptions out of this section and a man should be indicted or sued for violating it, he would be able to set up the exceptions as a complete defense in the trial? Of course he could. Yet my friend insists upon putting in criminal penalties leaving those exceptions out. I do not believe that he would vote for such a bill if it were offered him.

Mr. NELSON. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Certainly.

Mr. NELSON. As this was originally drafted, were there not criminal penalties in it?

Mr. WEBB. I just said that there were; but I would not be willing, and neither would my friend, to put a man in jail for discriminating in price because he sold one man a better and another man a poorer quality.

Mr. NELSON. Mr. Speaker, I would like to ask the gentleman a question.

Mr. WEBB. The gentleman can do so, of course.

Mr. NELSON. So far as your prohibition is concerned, is it true that it is neither included in the Sherman law nor in the fifth section of the Trade Commission bill?

Mr. WEBB. It is not included in either, except so far as we refer it in enforcing this section to the Federal Trade Commission. Sections 2 and 3 stand alone, and are not amendments to the Sherman antitrust law, but supplemental to it. It would take a combination of such acts and a persistence in them to reach the point where they would violate the Sherman law. The object of this law is to prevent the creation of a trust by preventing the practices which make trusts; to prevent the little things which, if persisted in and combined, will ultimately result in a violation of the Sherman law—and that is why we call it supplementary to the trust law and not an amendment to it.

Mr. VOLSTEAD. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Oh, I heard my friend read his Supreme Court decision yesterday.

Mr. VOLSTEAD. I would simply call the gentleman's attention to the Standard Oil Co. case, where they so clearly define this kind of an offense.

Mr. WEBB. Mr. Speaker, I have argued that with my friend before. He knows that there is no court in the land that would hold a man guilty of violating the Sherman antitrust law simply because he discriminated in one, two, or three instances in one county in the United States alone in price. He has to do it in such a way and to such an extent and with such persistence as to restrain trade or create monopoly. This law we are now considering will catch him if he does it in one instance against one individual.

Mr. NELSON. Mr. Speaker, will the gentleman yield?

Mr. WEBB. Just for a question.

Mr. NELSON. When you have proven the actual fact of discrimination, how much more will you have to prove in order to prove that he has substantially lessened competition and done that which tends to monopoly?

Mr. WEBB. You do not have to prove either one. You will only have to prove such a discrimination as may be to substantially lessen competition or may tend to create monopoly. A strong Federal trade commission will stop all the discrimination and unfair practices that my friend complains of. They will stop all of these unfair methods of competition if you have a bold, brave, determined set of trade commissioners, which I hope we will have.

Mr. Speaker, what does my friend suggest as a substitute for this bill? He has been here 8 or 10 years, and where is his

trust bill? He has been in Congress for 8 or 10 or 12 years and offers nothing, and the gentleman from Minnesota [Mr. VOLSTEAD], sitting beside him, in his speech on the floor of the House when this bill passed, said:

We have been trying to enforce the Sherman antitrust law for 20 years, and trusts have been growing and growing.

A despairing cry from a Republican whose party has been in power for 20 years, with the exception of the last 2 years. Where are your trust bills with teeth? Where are your efforts to curb the trusts? Where have you done your best to stop the violations of the antitrust law? And yet my friend from Wisconsin [Mr. NELSON] announces to-day that because the Democratic Party has not done in 2 years what his party failed to do in 20 years he expects to go back to the flesh pots of the Republican Party. He prefers to vote for nothing rather than vote for this measure which looks toward curbing the evil practices of which he complains. From his viewpoint it seems to me that he should prefer a half loaf to no bread at all.

Why, my two friends, splendid gentlemen that they are, and I have the highest esteem for both, as they know, complain that this bill is not drastic enough, and the gentleman from Wyoming [Mr. MONDELL] spoke for 20 or 30 minutes telling how he voted for it when it had criminal penalties, but says that since they have been taken out he has had a change of heart and is going to vote against it. Mr. MANN, the Republican leader, comes along with the concluding speech and says we are doing too much already to disturb business by threatening to put people in jail. You gentlemen ought to get together. [Applause on the Democratic side.] I will tell you, my friends, you are determined to assail us; it does not make any difference what we do. You expect to shoot us going and coming. I believe 54 of you voted for the trust bill when it passed the House. I do not know how many will vote for it or against it now, but do not put it on the ground of criminal penalties or the lack of them. There is some other motive that actuates you. As I said, you are determined to shoot us, no matter what we do or what bill we present. We have done our best and we have done far more than all of you Republicans have done in 20 years. We are trying to stop the violation of the Sherman antitrust law and prevent unfair trade methods that lead to its violation. What have you done during your 20 years in power?

Mr. MOORE. Will the gentleman yield?

Mr. WEBB. I can not. We know the ranking Republican members of the Judiciary Committee have done nothing in 20 years. Trusts have "grown and grown." We are trying to do something and you are standing in our way like a stumbling block instead of aiding us, trying to embarrass us in every way that you can, while you profess to desire drastic laws on the subject. You are determined to criticize what we do. As I say, you shoot us going and coming.

The conservatives on your side shoot us, the radicals shoot us, and so you shoot us from both ends of the line. It reminds me of a story I heard down in Virginia. An old farmer was very proud of his pack of dogs, and among them he had a greyhound. The greyhound, as you gentlemen know, runs by sight and not by scent. One frosty morning he took the dogs out to chase a rabbit. The scent was hot, and all the dogs took after the rabbit, but the greyhound struck straight for the rabbit, and in his rapid flight he came in contact with a perpendicular strand of barbed wire, which split the dog open from the end of his nose to the tip of his tail. The farmer ran to the greyhound and saw his condition, and in his great hurry he put the parts of the dog together, carried them home, and put them in the kennel. The next morning when he went out to bury his dog, to his great surprise he found the dog still living, but he was horrified when he discovered that he had put the tail part of the dog where the head ought to be and the head part where the tail ought to be; but notwithstanding such terrible deformity, the exosmose and endosmose had caused the two parts to adhere and grow together and make a live dog. About a month or two afterwards one of his farmer friends came around and said, "How is that dog that was split open getting along?" The farmer said, "Fine; he is the best dog I have got in the pack." "How is that?" The farmer said, "It is this way: He can run both ways and bark at each end." [Laughter and applause.] And so on this trust bill the Republican side has been barking both ways and running in different directions; and they have done so in the last 25 minutes. They are "split open," too. [Laughter on the Democratic side.]

Now, Mr. Speaker, what we have really done and tried to do by this bill is to make unlawful discriminations in prices. We have made unlawful tying contracts. We have prevented interlocking directorates between common carriers and supply houses for the purpose of protecting the railroad companies and stockholders from exorbitant prices charged by supply houses. We have prevented interlocking directorates of industrial corporations. We have prevented interlocking directorates of banks over a certain size. We have done for labor what the Sherman antitrust law and those who framed it intended should be done. We have provided for trial of certain contempts by juries, something for which laboring men have been clamoring for, lo, these 20 years; and when this bill passes the laboring men should have a jubilee, because during the long, weary years of Republican administration they were begging at your doors and praying to you for such legislation, but they got a stone, and some of you have been so set against that kind of legislation in behalf of labor that to-day, this afternoon, some of you are going to vote against this bill on the pretense that you do not like it because it is not strong enough, when down in your hearts you do not like it because it is the great magna charta of the laboring man. [Applause on the Democratic side.] In addition to this, Mr. Speaker, we have thrown the doors of the court wide open for the first time to every man who is injured. He can enter the court at his home and sue a man or corporation who injures him or enter suit in the man's or corporation's home in all the courts for any amount he may sue for. And I contend, Mr. Speaker, that this bill is a thousand times better than nothing, which our Republican friends have persisted in giving to the people during the last 20 years. You have done nothing for them as against the trusts, and now refuse to help us do anything.

Mr. JOHNSON of Washington. Will the gentleman yield for a question?

Mr. WEBB. Yes.

Mr. JOHNSON of Washington. I understood the gentleman to say a moment ago that this bill was labor's magna charta. I think I heard the gentleman from North Carolina say only yesterday, in debate with the gentleman from Pennsylvania [Mr. MOORE], that certain phrases had been stricken out largely because of the speech made by the gentleman from Pennsylvania [Mr. MOORE]. I have heard a great deal of discussion to the effect that the labor clause had now in reality been brought down to what the President really said, that it satisfied labor, but gave them nothing. I desire to ask if that is labor's magna charta?

Mr. WEBB. The Senate changed a few lines of language in reference to injunctions against labor. Where we say they shall not be enjoined from meeting at any place, the Senate made it "any place where lawful." I wanted to have some pleasant reference to the gentleman from Pennsylvania, who made a strong and vehement speech about labor congregating where they had no right. Everybody knows we did not authorize them to meet unlawfully in any public place, but only gave the right to assemble in a lawful way for a lawful purpose, and at a place where they may lawfully be.

The labor sections are just like they were when they passed the House and when you gentlemen voted for them. If you want to favor labor, vote for the bill.

Mr. JOHNSON of Washington. Several provisions have been stricken from the labor clause.

Mr. WEBB. We have stricken out "consumers and fraternal organizations," so as to make the section apply to labor, agricultural, and horticultural organizations—organizations composed of men who produce something.

Mr. Speaker, that is all I care to say, and I ask that the House now vote upon the report. [Applause.]

Mr. VOLSTEAD. Mr. Speaker, I desire to yield to the gentleman from Pennsylvania [Mr. KIESS].

Mr. KIESS of Pennsylvania. Mr. Speaker, the most ardent admirer or sanguine defender of the present national administration can not be blind to the knowledge or escape the charge that our country has not prospered under it. When on the 4th of March, 1913, the Democratic Party assumed full control of the Government, our land was in the full tide of prosperity and the Treasury in the receipt of an income more than adequate to meet every obligation. This was the proud condition existing when the Republican Party surrendered the stewardship it had administered for 16 years. The only cloud on the financial horizon was the doubt, born of past experience, of the ability of the Democratic Party to maintain unimpaired what it had so richly inherited from its predecessor in power.

Beginning under the administration of the wise and beloved McKinley and continuing under his Republican successors, our people had been blessed with a prosperity never matched. Industries so multiplied and throve, domestic and foreign trade so expanded, property so enhanced in value, as to make the measure of the growth and expansion beyond computation. The average material condition of the American was at the highest level ever known to any land or time. All who had the will or dili-

gence to do so could share in this unrivaled season and partake of the harvest of this widespread industrial prosperity.

During this bountiful period, however, there arose a cult preaching and spreading a doctrine of doubt and discontent, sometimes charging that our prosperity was a sham or urging that if it existed it was not to be credited to the party in power. The misdeeds of a few business enterprises were painted as the common practice of all business. All business success was put under suspicion. The courts were assailed and the very form of our Government denounced as the mere cunning device to thwart the popular will. A protective tariff which had contributed so much to our upbuilding and well-being was pictured as a system for the enrichment of certain privileged classes at the expense of the masses. The farmer was told that protection robbed him for the benefit of the manufacturer. The laborer was told that it added nothing to his pay envelope, that the gain was limited to the profits of the employer. Residents of town and city were told protection enhanced the cost of living. So class was played against class to arouse opposition to the protective system, all the while ignoring the obvious truth that when one great industry or interest prospers all others share in the fruits, and that depression in any inevitably works depression in all.

Out of this propaganda of denunciation and discontent, fallacious teaching, and unsound economic argument was born the Democratic victory of 1912. It seemed as if the people had grown tired of prosperity and were willing to risk a change at any price or were deluded into the belief that it had become so much the settled order of things that nothing could disturb or overthrow it. One thing is certain, and that is if the people were in fact sick of prosperity and desired a change from that happy estate, they applied the proper remedy in the election of a Democratic administration. Our history is the abundant proof that it is an unsurpassed instrumentality to such an end. No one questions the patriotic purposes possessing our Democratic friends, all freely acknowledge their good intentions, but it takes something more than good motives and good intentions to make the wheels go round and keep the country in the pathway of progress. It takes a type of constructive statesmanship in which the Democracy has been singularly deficient.

Much of the record of this present administration, however high its aim, is not one to which history will point with any glowing pride. Its successes in our domestic affairs have been few, its failures many, and some of them lamentable. It has done much that it ought not to have done and undone some things which should have been left as they were. The solemn pledges of the platform adopted at the Baltimore convention in 1912 have had no binding force on the action of the Democratic Party, as evidenced in the measures of this administration. No party ever so speedily or glaringly turned its back to its platform declarations. It promised retrenchment in expenditures, but has practiced woeful extravagance. It declared for free tolls for our coastwise trade passing through the Panama Canal, wholly built by American skill and genius, toil, and money, but in flagrant violation of that express covenant it repealed such free-toll provision. The trust-regulating measures now in course of passage satisfy no one. As they are finally shaping, they are more prone to confuse than to clarify, more apt to hobble business than to set it free, more likely to raise doubt than to afford a chart for the guidance of honest enterprise. They will operate to invite a meddlesome, mischievous espionage upon legitimate business and to license and legalize monopoly instead of destroying it. It is government by bureaucracy, dangerous and abhorrent to the very genius of our institutions. These and kindred measures fathered by this administration are the widest departure in all our history from the principles of Jefferson, the patron saint of the Democracy. Hamilton himself, the arch apostle of federalism, would have shrunk with fear from such concentration of power. There is something both pathetic and ludicrous in a party professing a reverence for the teachings of Jefferson and yet promoting a system of government upon which he would have looked with horror. No more striking example of the utter inability of the Democratic Party to frame legislation intelligently can be cited than the income-tax provision. People generally believe in the wisdom, propriety, and justice of such a tax, but the administrative and other features of the existing law are so obscure that the wisest are yet in doubt as to their meaning and the tax is chiefly vexatious to those people who have none to pay. In the wide miscalculation as to the amount which would be realized from this tax and the crude, clumsy, unfair methods of its collection, we behold a notable instance of the lack of grasp and constructive power in Democratic legislation.

The conspicuous failure of this administration is the tariff law which it placed on the statute books and on the back of industry. The country was solemnly assured in 1912 that the tariff bill which the Democratic Party would enact into law would be so framed as not to disturb industry. A year's trial has shown that the measure it did pass has been baneful and scattered havoc broadcast from ocean to ocean. Few industries, large or small, have escaped the mischief wrought by this measure. The farmer, the manufacturer, the tradesman, the laborer, the capitalist—all have felt its chilling hand. A diminishing freight tonnage, consequent upon declining industry, has brought once prosperous railroads to the very verge of insolvency. Their reduced purchasing power is, in turn, reflected back in manifold ways. We have had protective tariffs and tariffs for revenue only; this existing law may well be denominated a tariff for depression and deficit. Its blight is to be seen in silent mills, in uncounted thousands of idle workmen, in diminishing profit to business, and the passing of dividends in the case of many securities once deemed sound and largely held by the widow and orphan and those of small means. It has operated to increase imports and diminish exports. It has not increased wages, but has decreased the chance to earn any wages. It has not reduced the cost of living, but has reduced the means to gain any living whatever. The full dinner pail was once an object of derision or merriment to our Democratic friends; the empty dinner pail to-day is a just and deep cause of their fear for the outcome of this pending election.

The New Freedom, of which, by the way, we are hearing less and less, is chiefly manifest in a freedom for the average man to earn less than formerly, in freedom for business to get less profit, in freedom for freight cars to lie idle on railroad sidings, in freedom for the foreign manufacturer to sell us what should be made in our own factories, in freedom for the foreign farmer to send his products here to compete with our own sons of toil. We were told that one of the high purposes of this administration was to create conditions for the better distribution of wealth. The measures taken have done nothing to distribute wealth, but much to destroy wealth. The distributees of wealth under this dispensation are scarce; a multitude have suffered a decline in their worldy possessions. The loss in property values during the past two years is beyond estimate.

To cheer us in this shrinkage of property values, diminishing profits for the employer, and shrunken pay envelopes for the employed we have been assured in high quarters that our changed situation is purely and merely psychological. We have had eras of war and eras of peace, eras of prosperity and eras of depression; now we are having something entirely new in a psychological era. In place of real wages the workman must be content to be paid in part in a specie of make-believe; instead of profits which show on the ledger, the business man must be satisfied with those which only exist in his mind; instead of checks for dividends, our railroads and other concerns can declare such as are payable in psychology. Folks generally are old-fashioned enough, however, to continue to prefer the substantial. Eggs from China, wheat from Canada, meat and corn from Argentina, the wares and products of foreign factories are not psychological; they are the real article, with which our own producer is obliged to compete, at once a menace to him, and in no wise lessening the cost of these necessaries to the consumer. For example, free sugar is a monstrous humbug, so far as advantaging our own people; it is only effective in threatening our promising beet-sugar industry with destruction and in depriving the National Treasury of millions of revenues, whose need is now so pressing.

Not only has this tariff law been disastrous to our industries, but it fails to provide sufficient revenue to run the Government—at least to run it on the expensive plan it is now being run. That the European war is the chief source of this particular shortcoming in this unfortunate law is a mere pretext. It would have failed as a revenue-raising measure even though smiling peace reigned where rages this dreadful war. So this law is to be supplemented by a war tax. Such a tax in a land in a state of profound peace with all the world is a new thing in political and fiscal nomenclature. In Buchanan's time bonds were issued to meet a deficiency in the revenues. Under Cleveland they were issued to sustain the crumbling credit of the Government, imperiled by the threat of free silver. Now we have the same old ghost, which ever haunts our Government during a Democratic administration, stalking about in the garb of war tax. The real deficiency has ever been a deficiency in Democratic statesmanship.

Impressed by the dismal failure of the Democratic Party to rise level to the needs of the hour, and aroused by the industrial distress and depression following its rule, the people are resolutely facing toward a restoration of the Republican Party to power. The 3d of November will show in unmistakable terms that this party has come back, and that our Republic proposes,

as soon as may be done, to entrust it once more with the arduous duty of directing her destinies. The bitter trials through which our land is passing are convincing proof that it is safer to trust to experience than to indulge in experiment. The shining record of the Republican Party in the past inspires the just hope and firm confidence that it will be both able and faithful to meet the needs and issues of the to-morrow. Those who left the fold in 1912 are returning and, save a negligible remnant, will soon all be once more happily home again. The Republican Party is at once the bulwark for the preservation of the governmental institutions which have heretofore served us so well, and the advocate and exponent of those fiscal and financial policies which have so bountifully blessed us in the days gone by, and which will again redeem and restore our land to progress and prosperity.

The SPEAKER. The question is on agreeing to the conference report.

Mr. MANN and Mr. WEBB demanded the yeas and nays.

The SPEAKER. The gentleman from Illinois and the gentleman from North Carolina demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 245, nays 52, answered "present" 5, not voting 126, as follows:

YEAS—245.

Abercrombie	Difenderfer	Hughes, Ga.	Rouse
Adair	Dillon	Hull	Rubey
Adamson	Dixon	Igoe	Rucker
Aiken	Donohoe	Jacoway	Rupley
Alexander	Donovan	Johnson, Ky.	Russell
Allen	Dooling	Johnson, S. C.	Saunders
Ashbrook	Doolittle	Jones	Scully
Bailey	Doremus	Keating	Seldomridge
Baltz	Driscoll	Kennedy, Conn.	Shackleford
Barkley	Dupré	Kettner	Sherley
Barnhart	Eagan	Key, Ohio	Sherwood
Bathrick	Eagle	Kinkead, N. J.	Sims
Beakes	Edwards	Kirkpatrick	Sinnott
Beall, Tex.	Evans	Kitchin	Sisson
Bell, Ga.	Falconer	Korbly	Slayden
Blackmon	Farr	Kreider	Small
Booher	Ferris	Lafferty	Smith, J. M. C.
Borchers	Fields	Lazaro	Smith, Tex.
Borland	Finley	Lee, Ga.	Sparkman
Bowdle	Fitzgerald	Lee, Pa.	Stafford
Brockson	Fitzhenry	Lesher	Stanley
Brown, W. Va.	Flood, Va.	Lever	Stedman
Bruckner	Floyd, Ark.	Lieb	Stephens, Miss.
Bryan	Foster	Lloyd	Stephens, Nebr.
Buchanan, Ill.	Gallagher	Logue	Stephens, Tex.
Buchanan, Tex.	Gallivan	Lonergan	Stone
Bulkley	Gard	McGillicuddy	Stout
Burnett	Gardner	McKellar	Sutherland
Byrnes, S. C.	Garner	Maguire, Nebr.	Taggart
Byrns, Tenn.	Garrett, Tenn.	Mahan	Talbott, Md.
Campbell	Garrett, Tex.	Mapes	Talcott, N. Y.
Candler, Miss.	Gill	Mitchell	Tavenner
Cantor	Gilmore	Montague	Taylor, Ark.
Cantrill	Gittins	Moon	Taylor, N. Y.
Caraway	Glass	Morgan, Okla.	Ten Eyck
Carew	Godwin, N. C.	Morrison	Thacher
Carlin	Goeke	Moss, Ind.	Thomas
Carter	Good	Mulkey	Thompson, Okla.
Cary	Goodwin, Ark.	Murray	Thomson, Ill.
Casey	Gordon	Neely, W. Va.	Townsend
Chandler, N. Y.	Goulden	O'Brien	Tribble
Clancy	Gray	Oglesby	Tuttle
Clark, Fla.	Griest	Oldfield	Underhill
Claypool	Griffin	O'Leary	Underwood
Cline	Gudger	Padgett	Vare
Coady	Hamill	Page, N. C.	Vaughan
Collier	Hamlin	Park	Vollmer
Connelly, Kans.	Hammond	Patten, N. Y.	Walker
Cooper	Hardy	Peterson	Walsh
Cox	Hart	Phelan	Watson
Crisp	Hawley	Porter	Weaver
Crosser	Hay	Post	Webb
Cullop	Hayden	Pou	Whaley
Dale	Hayes	Prouty	Whitacre
Davenport	Helm	Quin	Williams
Davis	Helvering	Ragsdale	Wilson, Fla.
Decker	Henry	Rauch	Wingo
Deitrick	Hensley	Rayburn	Witherspoon
Dent	Hill	Reilly, Conn.	Young, Tex.
Dershem	Holland	Reilly, Wis.	
Dickinson	Houston	Roberts, Nev.	
Dies	Howard	Rogers	

NAYS—52.

Avis	Fairchild	Keister	Nelson
Barchfeld	Fordney	Kelley, Mich.	Patton, Pa.
Bartholdt	Frear	Kennedy, Iowa	Payne
Barton	Green, Iowa	Kiess, Pa.	Platt
Browne, Wis.	Greene, Mass.	Kinkaid, Nebr.	Plumley
Burke, S. Dak.	Greene, Vt.	La Follette	Scott
Cramton	Hamilton, Mich.	McLaughlin	Sloan
Curry	Helgesen	Madden	Smith, Idaho
Danforth	Hinds	Mann	Steenerson
Drukker	Humphrey, Wash.	Miller	Stevens, Minn.
Dunn	Johnson, Utah	Mondell	Switzer
Edmonds	Johnson, Wash.	Moore	Towner
Esch	Kahn	Mott	Volstead

ANSWERING "PRESENT"—5.

Bartlett	Levy	Manahan	Taylor, Ala.
Gorman			

NOT VOTING—126.

Ainey	Francis	Lenroot	Raker
Anderson	French	Lewis, Md.	Reed
Ansberry	George	Lewis, Pa.	Riordan
Anthony	Gerry	Lindbergh	Roberts, Mass.
Aswell	Gillett	Lindquist	Rothermel
Austin	Goldfogle	Linthicum	Sabath
Baker	Graham, Ill.	Lobeck	Sells
Bell, Cal.	Graham, Pa.	Loft	Shreve
Britten	Gregg	McAndrews	Slemp
Brodbeck	Guernsey	McClellan	Smith, Md.
Broussard	Hamilton, N. Y.	McGuire, Okla.	Smith, Minn.
Brown, N. Y.	Hardwick	McKenzie	Smith, N. Y.
Browning	Harris	MacDonald	Smith, Saml. W.
Brumbaugh	Harrison	Maher	Stephens, Cal.
Burgess	Haugen	Martin	Stevens, N. H.
Burke, Pa.	Heflin	Merritt	Stringer
Burke, Wis.	Hinebaugh	Metz	Sumners
Butler	Hobson	Morgan, La.	Taylor, Colo.
Calder	Howell	Morin	Temple
Callaway	Hoxworth	Moss, W. Va.	Treadway
Carr	Hughes, W. Va.	Murdock	Wallin
Church	Hulings	Neeley, Kans.	Walters
Connolly, Iowa	Humphreys, Miss.	Nolan, J. I.	Watkins
Conry	Kelly, Pa.	Norton	White
Copley	Kennedy, R. I.	O'Hair	Willis
Doughton	Kent	O'Shaunessy	Wilson, N. Y.
Elder	Kindel	Paige, Mass.	Winslow
Estopinal	Knowland, J. R.	Palmer	Woodruff
Faison	Konop	Parker	Woods
Fergusson	Langham	Peters	Young, N. Dak.
Fess	Langley	Powers	
Fowler	L'Engle	Rainey	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. BARTLETT (for conference report) with Mr. BUTLER (against).

Mr. DOUGHTON (for conference report) with Mr. KENNEDY of Rhode Island (against).

Mr. SMITH of Minnesota (for conference report) with Mr. GERRY (against).

Mr. GORMAN (for conference report) with Mr. MCKENZIE (against).

Mr. HARRISON (for conference report) with Mr. GUERNSEY (against).

Mr. KONOP (for conference report) with Mr. ANTHONY (against).

Mr. LEWIS of Maryland (for conference report) with Mr. HAMILTON of New York (against).

Mr. J. I. NOLAN (for conference report) with Mr. METZ (against).

Mr. NEELEY of Kansas (for conference report) with Mr. WINSLOW (against).

Mr. WILSON of New York (for conference report) with Mr. LANGHAM (against).

Mr. WHITE (for conference report) with Mr. HOWELL (against).

Mr. AUSTIN (for conference report) with Mr. MOSS of West Virginia (against).

Mr. BURGESS (for conference report) with Mr. ROBERTS of Massachusetts (against).

Mr. MCANDREWS (for conference report) with Mr. BROWNING (against).

Until further notice:

Mr. ESTOPINAL with Mr. YOUNG of North Dakota.

Mr. CONNOLLY of Iowa with Mr. WOODRUFF.

Mr. SABATH with Mr. NORTON.

Mr. BRUMBAUGH with Mr. WOODS.

Mr. BROUSSARD with Mr. WALLIN.

Mr. BRODBECK with Mr. TREADWAY.

Mr. BAKER with Mr. SAMUEL W. SMITH.

Mr. WATKINS with Mr. SLEMP.

Mr. TAYLOR of Colorado with Mr. SHREVE.

Mr. SUMNERS with Mr. SELLS.

Mr. STRINGER with Mr. PARKER.

Mr. STEVENS of New Hampshire with Mr. PAIGE of Massachusetts.

Mr. SMITH of Maryland with Mr. POWERS.

Mr. ROTHERMEL with Mr. PETERS.

Mr. REED with Mr. MORIN.

Mr. RAKER with Mr. LINDQUIST.

Mr. RAINEY with Mr. LEWIS of Pennsylvania.

Mr. O'HAIR with Mr. LANGLEY.

Mr. LOFT with Mr. J. R. KNOWLAND.

Mr. LINTHICUM with Mr. HULINGS.

Mr. HUMPHREYS of Mississippi with Mr. HAUGEN.

Mr. HEFLIN with Mr. GRAHAM of Pennsylvania.

Mr. GOLDFOGLE with Mr. GILLETT.

Mr. CONRY with Mr. FRENCH.

Mr. CHURCH with Mr. COPLEY.

Mr. CARR with Mr. CALDER.

Mr. BURKE of Wisconsin with Mr. BRITTEN.

Mr. CALLAWAY with Mr. BURKE of Pennsylvania.
Mr. ASWELL with Mr. AINEY.
Mr. ANSBERRY with Mr. FESS.
Mr. PALMER with Mr. MARTIN.
Mr. TAYLOR of Alabama with Mr. HUGHES of West Virginia.
Mr. MANAHAN with Mr. GREGG.
Mr. RIORDAN with Mr. WILLIS.
Mr. BROWN of New York with Mr. MERRITT.
Mr. O'SHAUNESSY with Mr. ANDERSON.

Mr. TAYLOR of Alabama. Mr. Speaker, I voted "aye," and I want to withdraw my vote and vote "present." I find I am paired with the gentleman from West Virginia, Mr. HUGHES.

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. TAYLOR of Alabama, and he answered "Present."

Mr. LOBECK. Mr. Speaker, I would like to vote.

The SPEAKER. Was the gentleman in the Hall, listening?

Mr. LOBECK. No; I was not. I would have voted "aye."

The SPEAKER. The gentleman is not entitled to vote.

The result of the vote was announced as above recorded.

The SPEAKER. The conference report is agreed to. [Applause on the Democratic side.]

On motion of Mr. WEBB, a motion to reconsider the vote whereby the bill was passed was laid on the table.

INSTRUCTORS IN NAVAL WAR COLLEGE OF BRAZIL.

Mr. PADGETT. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Tennessee rise?

Mr. PADGETT. I rise to ask unanimous consent to take from the Speaker's table Senate joint resolution 193 and pass the same.

The SPEAKER. The gentleman from Tennessee [Mr. PADGETT] asks unanimous consent to take from the Speaker's table Senate joint resolution 193 and pass the same.

Mr. MANN. I suppose the request is for consideration?

The SPEAKER. Yes; the request is for consideration. The other is surplusage. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution 193.

To authorize the President to grant leave of absence to two commissioned officers of the line of the Navy for the purpose of accepting an appointment under the Government of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil.

Whereas the Republic of Brazil has recently established the Naval War College of Brazil at Rio de Janeiro, Brazil, and is desirous that two commissioned officers of the line of the Navy of the United States experienced in naval war college work be permitted to serve therein as instructors in naval strategy and tactics; and

Whereas the United States of America wishes to show its friendly feeling for the Republic of Brazil by complying with its desire: Now, therefore, be it

Resolved, etc., That the President be, and he is hereby, authorized, in his discretion, to grant leave of absence to not more than two commissioned officers of the line of the Navy of the United States to assist the Republic of Brazil as instructors in naval strategy and tactics in the Naval War College of Brazil, in pursuance of an arrangement to be made between such officers so detailed and the Government of Brazil; and that such officers while absent on such leave be, and they are hereby, authorized to accept from the Government of Brazil the said employment with compensation from the said Government: *Provided, however*, That the permission so given shall be held to terminate at such date as the President may determine. To insure the continuance of this work during such time as may be desirable, the President may have the power of substitution in case of the termination of the detail of an officer for any cause; and that the officers, while so absent in the service of the Republic of Brazil, shall receive no pay or allowances from the United States Government.

The SPEAKER. Is there objection to the present consideration of the resolution just read?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. PADGETT, a motion to reconsider the last vote was laid on the table.

EXTENSION OF REMARKS.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the RECORD.

The SPEAKER. The gentleman from California [Mr. RAKER] asks unanimous consent to extend his remarks in the RECORD. On what subject?

Mr. RAKER. On our President.

Mr. MANN. Well, for the present I object.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 11166. An act for the relief of Wilhelmina Rohe.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.) the House adjourned until to-morrow, Friday, October 9, 1914, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FLOYD of Arkansas, from the Committee on the Judiciary, to which was referred the bill (H. R. 19076) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, reported the same without amendment, accompanied by a report (No. 1182), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PAIGE of Massachusetts: A bill (H. R. 19187) to amend sections 4886 and 4887 of the Revised Statutes relating to patents; to the Committee on Patents.

By Mr. EDMONDS: A bill (H. R. 19188) to amend the laws relating to patents; to the Committee on Patents.

By Mr. DUPRÉ: A bill (H. R. 19189) authorizing and directing the Secretary of the Treasury to refund taxes erroneously assessed or collected under the acts of June 13, 1898, and August 5, 1909; to the Committee on Claims.

By Mr. VAUGHAN: A bill (H. R. 19190) to authorize and direct the Secretary of the Treasury to make deposits in banks for the purpose of loans upon the security of agricultural products, to prevent the crisis threatened by the condition of the cotton market; to the Committee on Banking and Currency.

By Mr. POU: A bill (H. R. 19191) providing for the issue of emergency bonds; to the Committee on Ways and Means.

By Mr. HOBSON: Resolution (H. Res. 641) for the consideration of H. J. Res. 168; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 19192) granting an increase of pension to Elijah Ogle; to the Committee on Invalid Pensions.

By Mr. AVIS: A bill (H. R. 19193) granting a pension to Jacob P. Marling; to the Committee on Pensions.

By Mr. DONOVAN: A bill (H. R. 19194) granting an increase of pension to Albert A. Derrick; to the Committee on Pensions.

By Mr. HAMILTON of Michigan: A bill (H. R. 19195) granting a pension to Emma L. Pugh; to the Committee on Invalid Pensions.

By Mr. LLOYD: A bill (H. R. 19196) granting an increase of pension to Nathan Baughmon; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 19197) granting an increase of pension to Charles W. Noyes; to the Committee on Invalid Pensions.

By Mr. STEVENS of Minnesota: A bill (H. R. 19198) granting a pension to Leslie R. Loveland; to the Committee on 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. ALLEN: Petition of sundry citizens of Hamilton County, Ohio, favoring passage of law to prohibit shipping of food supplies to war zone in Europe; to the Committee on Interstate and Foreign Commerce.

By Mr. BAILEY: Petition of H. A. Brumbaugh and others, of the State of Pennsylvania, protesting against tax on automobiles and auto factories; to the Committee on Ways and Means.

By Mr. CARY: Petitions of Dahlman & Inbusch Grocery Co. and Bradley & Metcalf Co., of Milwaukee, Wis., protesting

against bill prohibiting purchase of return envelopes from Government; to the Committee on the Post Office and Post Roads.

Also, petition of J. M. Riebs, jr., Milwaukee, Wis., protesting against tax on grain exchanges; to the Committee on Ways and Means.

Also, petition of Jacob C. Fille, Dr. Samuel C. Higgins, Gender, Paeschke & Frey Co., Milwaukee, Wis., protesting against revenue tax on automobiles and auto factories; to the Committee on Ways and Means.

By Mr. FALCONER: Memorial of King County Socialist Party, Kennydale Local, protesting against exportation of all foodstuffs to warring nations; to the Committee on Ways and Means.

Also, petition of Daniel L. Pratt, editor of the Pacific Motor Boat, protesting against revenue tax on gasoline; to the Committee on Ways and Means.

By Mr. GRAY: Petition of Roy C. McKennan, of Connersville, Ind., relating to House bill 6282; to the Committee on Ways and Means.

By Mr. HUMPHREY of Washington: Petition of business men of Washington State, favoring House bill 5308, to tax mail-order houses; to the Committee on Ways and Means.

By Mr. KAHN: Petition of wives and daughters of veterans of the Mexican War, for an appropriation from Congress for a building at the Panama-Pacific International Exposition for their organization; to the Committee on Appropriations.

Also, memorial of the California State Federation of Labor, urging that two of the torpedo boat destroyers provided for in the naval appropriation bill be built at the Mare Island Navy Yard; to the Committee on Naval Affairs.

By Mr. McCLELLAN: Telegram from Arthur S. Wardle, president New York State Pharmaceutical Association, protesting against tax on proprietary medicines and cosmetics; to the Committee on Ways and Means.

By Mr. O'SHAUNESSY: Petition of the Warren Association, protesting against tax on alcoholic liquors; to the Committee on Ways and Means.

By Mr. SELDOMRIDGE: Petition of 45 citizens of West View Schoolhouse, 50 citizens of Limon, and 125 citizens of Burlington, Colo., favoring national prohibition; to the Committee on Rules.

By Mr. SMITH of New York: Petitions of 841 citizens of the State of Ohio, in favor of an investigation to ascertain and record the priority of discovery of the North Pole; to the Committee on Naval Affairs.

By Mr. TRIBBLE: Petition of Byron Bowers and other citizens of Georgia, favoring the Henry bill for emergency currency; to the Committee on Banking and Currency.

By Mr. UNDERHILL: Petition of La France Garage Co., Elmira, N. Y., against tax on manufacturers and users of automobiles; to the Committee on Ways and Means.

Also, petition of retail druggists of Louisville, Ky., against tax on medicine; to the Committee on Ways and Means.

SENATE.

FRIDAY, *October 9, 1914.*

(*Legislative day of Thursday, October 8, 1914.*)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. STONE. Mr. President, on yesterday the senior Senator from North Carolina [Mr. SIMMONS] phoned me that he was very unwell and did not think he would be able to attend the session to-day, and asked me, in his absence, as the next ranking member of the Finance Committee, to look after the revenue bill. I understand that bill has been made the unfinished business, and I ask now that the bill be laid before the Senate.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. I was informed yesterday by the Senator from North Carolina [Mr. SIMMONS] that he intended to speak to-day upon the bill. I do not know whether there is anyone prepared to go on to-day upon the bill. May I ask the Senator from Missouri if he knows of anyone on the other side who desires to speak to-day?

Mr. STONE. I do not know, Mr. President. I wish merely to have the bill laid before the Senate.

Mr. SIMMONS entered the Chamber.

Mr. STONE. The Senator from North Carolina is now here, and I leave the matter to his guidance.

Mr. MYERS. I will ask what is the request? I have just entered the Chamber.

The VICE PRESIDENT. The request is to lay the unfinished business before the Senate.

Mr. MYERS. I wish to say in this connection that I had expected to ask that the conference report on the Alaska coal bill be taken up at this time. The Senator from North Carolina kindly stated that at any time I wished to take it up he would lay the revenue bill aside and let me do so. I had expected to call it up the first thing this morning, but the Senator from Nebraska [Mr. NORRIS] yesterday made a request, which was granted, that the Alaska coal-land leasing bill be printed in parallel columns, showing the House bill, the Senate bill, and the conference agreement. As that is a considerable job, it has not yet come from the printer, and I will not call up the report until the print is here. I wish the Senator from Nebraska and any other Senator to have the benefit of that print, and I may later in the day ask leave to bring up the conference report.

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:

Bankhead	Johnson	Page	Stone
Bristow	Jones	Perkins	Thomas
Burton	Kern	Poindexter	Thompson
Camden	Lane	Pomerene	Thornton
Chamberlain	Lea, Tenn.	Saulsbury	Townsend
Chilton	Martine, N. J.	Shafroth	Vardaman
Clapp	Myers	Sheppard	Walsh
Fletcher	Nelson	Shields	Warren
Gore	Norris	Simmons	West
Gronna	O'Gorman	Smith, Ga.	White
Hollis	Oliver	Smoot	
Hughes	Overman	Sterling	

Mr. TOWNSEND. The senior Senator from Michigan [Mr. SMITH] is absent on important business. He is paired on all votes with the junior Senator from Missouri [Mr. REED]. This announcement may stand for the day.

The VICE PRESIDENT. Forty-six Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. REED answered to his name when called.

Mr. THORNTON. I desire to announce the necessary absence of my colleague [Mr. RANSDELL].

Mr. BORAH entered the Chamber and answered to his name.

Mr. SMOOT. I desire to announce the necessary absence of the senior Senator from New Hampshire [Mr. GALLINGER], my colleague [Mr. SUTHERLAND], and the junior Senator from West Virginia [Mr. GOFF]. The senior Senator from New Hampshire is paired with the junior Senator from New York [Mr O'GORMAN], my colleague is paired with the senior Senator from Arkansas [Mr. CLARKE], and the junior Senator from West Virginia is paired with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. JAMES entered the Chamber and answered to his name.

The VICE PRESIDENT. Forty-nine Senators have answered to the roll call. There is a quorum present. The Senator from Missouri——

Mr. SIMMONS. Mr. President, in view of the statement of the Senator from Montana [Mr. MYERS] with reference to taking up the conference report on the Alaska coal bill, I will ask unanimous consent that the unfinished business be temporarily laid aside in order that that report may be considered.

Mr. BORAH. Before that request for unanimous consent is acted upon, I do not desire to interfere with the program, but I should like to ask the Senator from Montana——

The VICE PRESIDENT. The Chair must have some understanding about this matter. The Senator from Missouri asked unanimous consent that the unfinished business be laid before the Senate. The Senator from North Carolina now asks that it be temporarily laid aside.

Mr. STONE. I will withdraw the request that I made.

The VICE PRESIDENT. It is temporarily laid aside. It is not now before the Senate.

Mr. BRISTOW. I ask leave to present sundry petitions and to introduce several bills.

The VICE PRESIDENT. Is there objection? The Chair hears none.

PETITIONS AND MEMORIALS.

Mr. BRISTOW presented petitions of sundry citizens of Wamego, Louisville, and Lawrence, all in the State of Kansas, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of Clay Center, Kans., praying for national recognition of Dr. Cook as the discoverer of the North Pole, which were referred to the Committee on the Library.

He also presented a petition of sundry citizens of Hazleton, Pa., praying for the removal of statues of members of the Con-